

MALAYAN BANKING BERHAD
(3813-K)
(Incorporated in Malaysia)

CONDENSED FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2019

<u>Group</u>	Note	Second Quarter Ended		Cumulative 6 Months Ended	
		30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
Interest income	A21	6,019,275	5,729,924	12,053,746	11,248,376
Interest expense	A22	(3,121,713)	(2,769,933)	(6,202,644)	(5,268,446)
Net interest income		2,897,562	2,959,991	5,851,102	5,979,930
Income from Islamic Banking Scheme operations	A41a	1,402,940	1,360,133	2,899,558	2,708,147
Net earned insurance premiums	A23	1,623,843	1,490,026	3,250,389	3,001,407
Other operating income	A25	1,979,832	1,008,000	3,657,730	2,309,576
Total operating income		7,904,177	6,818,150	15,658,779	13,999,060
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	A26	(2,014,417)	(999,716)	(3,908,942)	(2,364,153)
Net operating income		5,889,760	5,818,434	11,749,837	11,634,907
Overhead expenses	A27	(2,821,719)	(2,678,844)	(5,629,327)	(5,446,388)
Operating profit before impairment losses		3,068,041	3,139,590	6,120,510	6,188,519
Allowances for impairment losses on loans, advances, financing and other debts, net	A28	(391,644)	(582,149)	(995,638)	(1,091,459)
(Allowances for)/writeback of impairment losses on financial investments, net	A29	(23,912)	6,172	(48,521)	21,040
(Allowances for)/writeback of impairment losses on other financial assets, net	A30	(36,743)	13,441	(45,463)	7,074
Operating profit		2,615,742	2,577,054	5,030,888	5,125,174
Share of profits in associates and joint ventures		35,846	32,519	71,131	41,067
Profit before taxation and zakat		2,651,588	2,609,573	5,102,019	5,166,241
Taxation and zakat	B5	(663,507)	(614,643)	(1,239,121)	(1,271,823)
Profit for the period		1,988,081	1,994,930	3,862,898	3,894,418
Attributable to:					
Equity holders of the Bank		1,940,871	1,959,013	3,750,135	3,830,049
Non-controlling interests		47,210	35,917	112,763	64,369
		1,988,081	1,994,930	3,862,898	3,894,418
Earnings per share attributable to equity holders of the Bank	B12				
Basic/diluted		17.46 sen	17.94 sen	33.84 sen	35.20 sen

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to these financial statements)

MALAYAN BANKING BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2019

<u>Group</u>	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
Profit for the period	1,988,081	1,994,930	3,862,898	3,894,418
Other comprehensive income/(loss):				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Defined benefit plan actuarial gain	4,263	2,457	3,911	4,894
Income tax effect	3	(1)	147	(364)
Net gain on disposal of financial investments at fair value through other comprehensive income	44	-	44	-
	4,310	2,456	4,102	4,530
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net gain/(loss) on financial assets at fair value through other comprehensive income	917,102	(505,735)	2,191,897	(718,311)
- Net gain/(loss) from change in fair value	1,198,500	(863,439)	2,564,212	(1,122,351)
- Changes in expected credit losses	4,580	143,636	236,739	145,829
- Income tax effect	(285,978)	214,068	(609,054)	258,211
Net gain/(loss) on foreign exchange translation	590,172	335,560	458,003	(1,034,868)
Net (loss)/gain on cash flow hedge	(411)	544	(151)	1,760
Net (loss)/gain on net investment hedge	(1,898)	(13,407)	(57)	26,470
Net gain on fair value hedge	6,386	-	6,386	-
Share of change in associates' reserve	(204,466)	12,619	(282,976)	(223,296)
	1,306,885	(170,419)	2,373,102	(1,948,245)
Other comprehensive income/(loss) for the period, net of tax	1,311,195	(167,963)	2,377,204	(1,943,715)
Total comprehensive income for the period	3,299,276	1,826,967	6,240,102	1,950,703
Other comprehensive income/(loss) for the period attributable to:				
Equity holders of the Bank	1,288,670	(168,789)	2,342,521	(1,936,453)
Non-controlling interests	22,525	826	34,683	(7,262)
	1,311,195	(167,963)	2,377,204	(1,943,715)
Total comprehensive income for the period attributable to:				
Equity holders of the Bank	3,229,541	1,790,224	6,092,656	1,893,596
Non-controlling interests	69,735	36,743	147,446	57,107
	3,299,276	1,826,967	6,240,102	1,950,703

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2019

<u>Bank</u>	Note	Second Quarter Ended		Cumulative 6 Months Ended	
		30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
Interest income	A21	4,021,210	4,387,393	8,110,273	8,571,503
Interest expense	A22	(2,162,886)	(2,195,922)	(4,359,664)	(4,108,258)
Net interest income		1,858,324	2,191,471	3,750,609	4,463,245
Dividends from subsidiaries and associates	A24	1,735,163	1,576,610	1,735,163	1,576,610
Other operating income	A25	966,274	1,040,280	1,719,702	2,197,852
		2,701,437	2,616,890	3,454,865	3,774,462
Net operating income		4,559,761	4,808,361	7,205,474	8,237,707
Overhead expenses	A27	(1,180,548)	(1,414,371)	(2,295,344)	(2,864,002)
Operating profit before impairment losses		3,379,213	3,393,990	4,910,130	5,373,705
Allowances for impairment losses on loans, advances, financing and other debts, net	A28	(180,385)	(390,712)	(727,204)	(442,564)
(Allowances for)/writeback of impairment losses on financial investments, net	A29	(15,393)	6,423	(48,209)	40,016
(Allowances for)/writeback of impairment losses on other financial assets, net	A30	(29,712)	12,184	(17,367)	2,390
Profit before taxation and zakat		3,153,723	3,021,885	4,117,350	4,973,547
Taxation and zakat	B5	(330,738)	(328,807)	(566,448)	(786,294)
Profit for the period		2,822,985	2,693,078	3,550,902	4,187,253

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to these financial statements)

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2019

<u>Bank</u>	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
Profit for the period	2,822,985	2,693,078	3,550,902	4,187,253
Other comprehensive income/(loss):				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Net gain on disposal of financial investments at fair value through other comprehensive income	44	-	44	-
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net gain/(loss) on financial assets at fair value through other comprehensive income	716,725	(371,992)	1,789,151	(598,123)
- Net gain/(loss) from change in fair value	941,505	(695,003)	2,036,023	(962,049)
- Changes in expected credit losses	1,905	139,727	242,758	134,777
- Income tax effect	(226,685)	183,284	(489,630)	229,149
Net gain/(loss) on foreign exchange translation	104,300	170,378	35,948	(250,891)
Net gain on fair value hedge	6,386	-	6,386	-
	827,411	(201,614)	1,831,485	(849,014)
Other comprehensive income/(loss) for the period, net of tax	827,455	(201,614)	1,831,529	(849,014)
Total comprehensive income for the period	3,650,440	2,491,464	5,382,431	3,338,239

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MALAYAN BANKING BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	Group		Bank	
		30 June 2019 RM'000	31 December 2018 RM'000	30 June 2019 RM'000	31 December 2018 RM'000
ASSETS					
Cash and short-term funds		40,381,636	55,025,127	19,792,784	26,945,152
Deposits and placements with financial institutions		9,809,174	12,502,877	16,927,395	23,410,133
Financial assets purchased under resale agreements		4,413,673	4,030,245	3,829,569	3,763,284
Financial assets designated upon initial recognition at fair value through profit or loss	A10(i)	16,068,510	15,716,038	-	-
Financial investments at fair value through profit or loss	A10(ii)	18,134,766	14,252,900	13,384,014	8,914,167
Financial investments at fair value through other comprehensive income	A10(iii)	131,530,476	120,913,888	94,420,750	89,582,837
Financial investments at amortised cost	A10(iv)	29,198,093	27,069,261	26,475,342	22,857,070
Loans, advances and financing to financial institutions	A11(i)	1,589,308	1,576,199	17,343,327	17,052,024
Loans, advances and financing to customers	A11(ii)	513,672,599	505,507,620	211,602,790	213,314,768
Derivative assets	A37	8,573,526	6,963,521	8,270,694	6,799,063
Reinsurance/retakaful assets and other insurance receivables	A12	4,256,211	3,800,047	-	-
Other assets	A13	10,335,896	9,873,340	3,702,495	5,267,285
Investment properties		897,988	895,769	-	-
Statutory deposits with central banks		17,222,854	16,264,849	5,491,137	5,041,560
Investment in subsidiaries		-	-	31,639,263	31,446,456
Interest in associates and joint ventures		2,389,996	2,300,299	451,518	472,016
Property, plant and equipment		2,167,126	2,495,825	1,009,241	1,041,432
Right-of-use assets		1,498,056	-	405,126	-
Intangible assets		6,843,211	6,718,327	356,120	360,865
Deferred tax assets		679,092	1,085,549	-	345,186
TOTAL ASSETS		819,662,191	806,991,681	455,101,565	456,613,298
LIABILITIES					
Customers' funding:					
- Deposits from customers	A14	539,255,689	532,732,623	247,397,244	255,160,315
- Investment accounts of customers ¹	A41g	21,652,777	23,565,061	-	-
Deposits and placements from financial institutions	A15	46,735,193	43,850,577	55,398,322	52,940,747
Obligations on financial assets sold under repurchase agreements		6,237,888	13,797,993	12,881,427	21,266,302
Derivative liabilities	A37	8,372,012	7,975,784	7,949,487	7,439,049
Financial liabilities at fair value through profit or loss	A16	8,367,524	8,892,691	8,367,524	8,507,004
Bills and acceptances payable		1,437,274	1,508,658	502,801	612,967
Insurance/takaful contract liabilities and other insurance payables	A18	29,474,053	26,853,102	-	-
Other liabilities	A19	23,970,229	21,788,671	10,629,465	7,341,061
Recourse obligation on loans and financing sold to Cagamas		1,531,169	1,547,272	1,531,169	1,547,272
Provision for taxation and zakat		109,693	395,792	-	79,815
Deferred tax liabilities		919,811	497,966	200,970	-
Borrowings	A17(i)	36,493,115	31,600,197	28,532,449	23,441,160
Subordinated obligations	A17(ii)	9,636,071	10,717,005	9,175,832	9,157,310
Capital securities	A17(iii)	3,550,321	3,531,029	3,550,321	3,531,029
TOTAL LIABILITIES		737,742,819	729,254,421	386,117,011	391,024,031

¹ Investment accounts of customers are used to fund financing and advances as disclosed in Note A41e(ii).

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UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	Group		Bank	
		30 June 2019 RM'000	31 December 2018 RM'000	30 June 2019 RM'000	31 December 2018 RM'000
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK					
Share capital		48,280,873	46,747,442	48,280,873	46,747,442
Retained profits		25,688,444	25,985,583	14,212,484	14,401,762
Reserves		5,466,322	2,597,102	6,491,197	4,440,063
		79,435,639	75,330,127	68,984,554	65,589,267
Non-controlling interests		2,483,733	2,407,133	-	-
		81,919,372	77,737,260	68,984,554	65,589,267
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					
		819,662,191	806,991,681	455,101,565	456,613,298
COMMITMENTS AND CONTINGENCIES	A35	1,126,890,529	872,955,128	1,024,895,398	780,160,779
<u>CAPITAL ADEQUACY</u>					
	A36				
The capital adequacy ratios of the Group and of the Bank are as follows:					
CET1 Capital Ratio		14.948%	15.029%	14.418%	13.757%
Tier 1 Capital Ratio		15.865%	15.983%	15.503%	14.871%
Total Capital Ratio		18.705%	19.024%	18.691%	18.266%
Net assets per share attributable to equity holders of the Bank					
		RM7.07	RM6.82	RM6.14	RM5.94

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2019

<===== Attributable to equity holders of the Bank =====>
<===== Non-Distributable =====>

<u>Group</u>	Share Capital RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESGP Reserve RM'000	Other Reserves RM'000 ¹	Retained Profits RM'000 ²	Total Shareholders' Equity RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
At 1 January 2019	46,747,442	239,009	2,127,290	457,045	113,510	-	(339,752)	25,985,583	75,330,127	2,407,133	77,737,260
Profit for the period	-	-	-	-	-	-	-	3,750,135	3,750,135	112,763	3,862,898
Other comprehensive income	-	-	-	2,159,745	173,357	-	9,375	44	2,342,521	34,683	2,377,204
Defined benefit plan actuarial gain	-	-	-	-	-	-	3,197	-	3,197	861	4,058
Share of associates' reserve	-	-	-	(5,171)	(277,805)	-	-	-	(282,976)	-	(282,976)
Net gain on foreign exchange translation	-	-	-	-	451,162	-	-	-	451,162	6,841	458,003
Net gain on financial investments at fair value through other comprehensive income	-	-	-	2,164,916	-	-	-	-	2,164,916	26,981	2,191,897
Net gain on disposal of financial investments at fair value through other comprehensive income	-	-	-	-	-	-	-	44	44	-	44
Net loss on net investment hedge	-	-	-	-	-	-	(57)	-	(57)	-	(57)
Net loss on cash flow hedge	-	-	-	-	-	-	(151)	-	(151)	-	(151)
Net gain on fair value hedge	-	-	-	-	-	-	6,386	-	6,386	-	6,386
Total comprehensive income for the period	-	-	-	2,159,745	173,357	-	9,375	3,750,179	6,092,656	147,446	6,240,102
Carried forward	46,747,442	239,009	2,127,290	2,616,790	286,867	-	(330,377)	29,735,762	81,422,783	2,554,579	83,977,362

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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2019

<===== Attributable to equity holders of the Bank =====>
<===== Non-Distributable =====>

<u>Group (cont'd.)</u>	Share Capital RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESGP Reserve RM'000	Other Reserves ¹ RM'000	Retained Profits ² RM'000	Total Shareholders' Equity RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Brought forward	46,747,442	239,009	2,127,290	2,616,790	286,867	-	(330,377)	29,735,762	81,422,783	2,554,579	83,977,362
Effect of changes in corporate structure within the Group	-	-	-	-	-	-	-	-	-	30,959	30,959
Transfer to statutory reserve	-	33,705	-	-	-	-	-	(33,705)	-	-	-
Transfer to regulatory reserve	-	-	477,714	-	-	-	-	(477,714)	-	-	-
Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP")	-	-	-	-	-	15,324	-	-	15,324	-	15,324
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP") (Note A8(i)(a))	1,533,431	-	-	-	-	-	-	-	1,533,431	-	1,533,431
Dividends paid (Note A9(a) & (b))	-	-	-	-	-	-	-	(3,535,899)	(3,535,899)	(101,805)	(3,637,704)
Total transactions with shareholders/ other equity movements	1,533,431	33,705	477,714	-	-	15,324	-	(4,047,318)	(1,987,144)	(70,846)	(2,057,990)
At 30 June 2019	48,280,873	272,714	2,605,004	2,616,790	286,867	15,324	(330,377)	25,688,444	79,435,639	2,483,733	81,919,372

¹ The further breakdown and movement of other reserves are disclosed in Note A20.

² The retained profits of the Group include the non-distributable non-par surplus from an insurance subsidiary amounted to RM719.5 million (net of tax). This non-distributable non-par surplus is only available for distribution to shareholder on the amount recommended by the Appointed Actuary in accordance with the Financial Services Act 2013.

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FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2019

<===== Attributable to equity holders of the Bank =====>
<===== Non-Distributable =====>

<u>Group</u>	Share Capital RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESS Reserve RM'000	Other Reserves ¹ RM'000	Retained Profits ² RM'000	Total Shareholders' Equity RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
At 1 January 2018												
- as previously stated	44,250,380	(183,438)	203,058	2,747,285	29,616	858,752	219,387	(405,169)	25,268,743	72,988,614	2,194,991	75,183,605
- effect of adopting MFRS 9	-	-	-	(760,278)	459,319	-	-	-	(1,097,608)	(1,398,567)	11,202	(1,387,365)
At 1 January 2018, as restated	44,250,380	(183,438)	203,058	1,987,007	488,935	858,752	219,387	(405,169)	24,171,135	71,590,047	2,206,193	73,796,240
Profit for the period	-	-	-	-	-	-	-	-	3,830,049	3,830,049	64,369	3,894,418
Other comprehensive (loss)/income	-	-	-	-	(723,392)	(1,244,730)	-	31,669	-	(1,936,453)	(7,262)	(1,943,715)
Defined benefit plan actuarial gain	-	-	-	-	-	-	-	3,439	-	3,439	1,091	4,530
Share of associates reserve	-	-	-	-	(7,025)	(216,271)	-	-	-	(223,296)	-	(223,296)
Net loss on foreign exchange translation	-	-	-	-	-	(1,028,459)	-	-	-	(1,028,459)	(6,409)	(1,034,868)
Net loss on financial investments at fair value through other comprehensive income	-	-	-	-	(716,367)	-	-	-	-	(716,367)	(1,944)	(718,311)
Net gain on net investment hedge	-	-	-	-	-	-	-	26,470	-	26,470	-	26,470
Net gain on cash flow hedge	-	-	-	-	-	-	-	1,760	-	1,760	-	1,760
Total comprehensive (loss)/income for the period	-	-	-	-	(723,392)	(1,244,730)	-	31,669	3,830,049	1,893,596	57,107	1,950,703
Carried forward	44,250,380	(183,438)	203,058	1,987,007	(234,457)	(385,978)	219,387	(373,500)	28,001,184	73,483,643	2,263,300	75,746,943

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<u>Group (cont'd.)</u>	Attributable to equity holders of the Bank										Total Shareholders' Equity RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESS Reserve RM'000	Other Reserves ¹ RM'000	Retained Profits ² RM'000	Total Shareholders' Equity RM'000			
Brought forward	44,250,380	(183,438)	203,058	1,987,007	(234,457)	(385,978)	219,387	(373,500)	28,001,184	73,483,643	2,263,300	75,746,943	
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	-	1,457	-	-	1,457	-	1,457	
Effect of changes in corporate structure within the Group	-	-	-	-	-	-	-	-	17,370	17,370	59,974	77,344	
Effect of rights issue of a subsidiary	-	-	-	-	-	-	-	-	-	-	9,103	9,103	
Transfer to statutory reserves	-	-	34,571	-	-	-	-	-	(34,571)	-	-	-	
Transfer to regulatory reserve	-	-	-	810,157	-	-	-	-	(810,157)	-	-	-	
Utilisation of shares under ESOS Trust Fund Pool	-	106,763	-	-	-	-	-	-	3,012	109,775	-	109,775	
ESS forfeited upon expiration of ESS	-	-	-	-	-	-	(100,280)	-	100,280	-	-	-	
Issue of shares pursuant to ESS	1,532,436	-	-	-	-	-	(87,686)	-	-	1,444,750	-	1,444,750	
Issue of shares pursuant to Restricted Share Unit ("RSU")	45,940	(139)	-	-	-	-	(32,176)	-	(13,625)	-	-	-	
Shares vested under RSU and Supplemental Restricted Share Unit ("SRSU")	-	666	-	-	-	-	(575)	-	(91)	-	-	-	
Dividends payable	-	-	-	-	-	-	-	-	(3,501,845)	(3,501,845)	-	(3,501,845)	
Dividends paid	-	-	-	-	-	-	-	-	-	-	(89,126)	(89,126)	
Total transactions with shareholders/other equity movements	1,578,376	107,290	34,571	810,157	-	-	(219,260)	-	(4,239,627)	(1,928,493)	(20,049)	(1,948,542)	
At 30 June 2018	45,828,756	(76,148)	237,629	2,797,164	(234,457)	(385,978)	127	(373,500)	23,761,557	71,555,150	2,243,251	73,798,401	

¹ The further breakdown and movement of other reserves are disclosed in Note A20.

² The retained profits of the Group include the non-distributable non-par surplus from an insurance subsidiary amounted to RM1,268.5 million (net of tax). This non-distributable non-par surplus is only available for distribution to shareholder on the amount recommended by the Appointed Actuary in accordance with the Financial Services Act 2013.

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to these financial statements)

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2019

<===== Attributable to equity holders of the Bank =====>
<===== Non-Distributable =====>

<u>Bank</u>	Share Capital RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESGP Reserve RM'000	Fair Value Hedge Reserve RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
At 1 January 2019	46,747,442	53,032	1,778,997	279,332	2,328,702	-	-	14,401,762	65,589,267
Profit for the period	-	-	-	-	-	-	-	3,550,902	3,550,902
Other comprehensive income	-	-	-	1,789,151	35,948	-	6,386	44	1,831,529
Net gain on foreign exchange translation	-	-	-	-	35,948	-	-	-	35,948
Net gain on financial investments at fair value through other comprehensive income	-	-	-	1,789,151	-	-	-	-	1,789,151
Net gain on disposal of financial investments at fair value through other comprehensive income	-	-	-	-	-	-	-	44	44
Net gain on fair value hedge	-	-	-	-	-	-	6,386	-	6,386
Total comprehensive income for the period	-	-	-	1,789,151	35,948	-	6,386	3,550,946	5,382,431
Transfer to statutory reserve	-	1,015	-	-	-	-	-	(1,015)	-
Transfer to regulatory reserve	-	-	203,310	-	-	-	-	(203,310)	-
Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP")	-	-	-	-	-	15,324	-	-	15,324
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP") (Note A8(i)(a))	1,533,431	-	-	-	-	-	-	-	1,533,431
Dividends paid (Note A9(a))	-	-	-	-	-	-	-	(3,535,899)	(3,535,899)
Total transactions with shareholders/ other equity movements	1,533,431	1,015	203,310	-	-	15,324	-	(3,740,224)	(1,987,144)
At 30 June 2019	48,280,873	54,047	1,982,307	2,068,483	2,364,650	15,324	6,386	14,212,484	68,984,554

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to these financial statements)

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UNAUDITED STATEMENT OF CHANGES IN EQUITY
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<===== Attributable to equity holders of the Bank =====>
<===== Non-Distributable =====>

Bank	Share Capital RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESS Reserve RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
At 1 January 2018									
- as previously stated	44,250,380	(183,438)	46,255	2,233,563	(114,149)	2,228,315	219,387	13,572,235	62,252,548
- effect of adopting MFRS 9	-	-	-	(295,155)	420,838	-	-	(497,675)	(371,992)
At 1 January 2018, as restated	44,250,380	(183,438)	46,255	1,938,408	306,689	2,228,315	219,387	13,074,560	61,880,556
Profit for the period	-	-	-	-	-	-	-	4,187,253	4,187,253
Other comprehensive loss	-	-	-	-	(598,123)	(250,891)	-	-	(849,014)
Net loss on foreign exchange translation	-	-	-	-	-	(250,891)	-	-	(250,891)
Net loss on financial assets at fair value through other comprehensive income	-	-	-	-	(598,123)	-	-	-	(598,123)
Total comprehensive (loss)/income for the period	-	-	-	-	(598,123)	(250,891)	-	4,187,253	3,338,239
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	-	1,457	-	1,457
Transfer to statutory reserve	-	-	5,841	-	-	-	-	(5,841)	-
Transfer to regulatory reserve	-	-	-	668,127	-	-	-	(668,127)	-
Utilisation of shares under ESOS Trust Fund Pool	-	106,763	-	-	-	-	-	3,012	109,775
ESS forfeited upon expiration of ESS	-	-	-	-	-	-	(100,280)	100,280	-
Issue of shares pursuant to ESS	1,532,436	-	-	-	-	-	(87,686)	-	1,444,750
Issue of shares pursuant to Restricted Share Unit ("RSU")	45,940	(139)	-	-	-	-	(32,176)	(13,625)	-
Shares vested under RSU and Supplemental Restricted Share Unit ("SRSU")	-	666	-	-	-	-	(575)	(91)	-
Dividends payable	-	-	-	-	-	-	-	(3,501,845)	(3,501,845)
Total transactions with shareholders/ other equity movements	1,578,376	107,290	5,841	668,127	-	-	(219,260)	(4,086,237)	(1,945,863)
At 30 June 2018	45,828,756	(76,148)	52,096	2,606,535	(291,434)	1,977,424	127	13,175,576	63,272,932

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to these financial statements)

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CASH FLOW STATEMENTS
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2019

	Group		Bank	
	30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
Cash flows from operating activities				
Profit before taxation and zakat	5,102,019	5,166,241	4,117,350	4,973,547
Adjustments for:				
Depreciation of property, plant and equipment	148,737	198,613	61,997	83,951
Depreciation of right-of-use assets	182,007	-	53,578	-
Gain on disposal of property, plant and equipment	(2,079)	(68,642)	(23)	(58,352)
Share of profits in associates and joint ventures	(71,131)	(41,067)	-	-
Amortisation of intangible assets	120,054	119,420	23,749	40,254
Net gain on dilution of interest in associates	(1,836)	(1,264)	(1,696)	-
Net loss on disposal of deemed controlled entity	-	15,409	1,222	27,902
Net (loss)/gain on disposal of financial assets at fair value through profit or loss	(202,766)	24,662	(121,096)	(66,997)
Net gain on disposal of financial investments at fair value through other comprehensive income	(418,853)	(64,733)	(359,977)	(54,055)
Net gain on redemption of financial investments at amortised cost	-	(599)	-	(599)
Unrealised (gain)/loss on revaluation of financial investments at fair value through profit or loss and derivatives	(1,239,860)	730,456	(275,804)	238,187
Unrealised loss/(gain) on revaluation of financial liabilities at fair value through profit or loss	818,033	(387,445)	818,734	(387,188)
Unrealised loss on revaluation of loans, advances and financing at fair value through profit or loss	561	-	561	-
Allowances for impairment losses on loans, advances and financing, net	1,200,710	1,243,460	806,104	551,994
Allowances for impairment losses on other debts	6,352	9,105	12,444	1,864
Allowances for/(writeback of) impairment losses on financial investments, net	48,976	(21,040)	48,209	(40,016)
Allowances for/(writeback of) impairment losses on other financial assets, net	45,466	(7,074)	17,367	(2,390)
Dividend income	(48,743)	(61,556)	(1,739,155)	(1,579,827)
ESGP/ESS expenses	18,681	3,479	10,722	2,401
Other adjustments for non-operating and non-cash items	(73,720)	(197,545)	(541,441)	(206,190)
Operating profit before working capital changes	5,632,608	6,659,880	2,932,845	3,524,486
Change in deposits and placements with financial institutions with original maturity of more than three months	(5,031,021)	4,537,493	(4,708,928)	4,728,633
Change in cash and short-term funds with original maturity of more than three months	173,321	(275,809)	(251,132)	(628,841)
Change in financial investments portfolio	(12,649,236)	(18,114,404)	(10,247,667)	(10,715,083)
Change in loans, advances and financing	(7,059,510)	(15,508,014)	1,152,691	(5,998,734)
Change in statutory deposits with central banks	(958,006)	(1,784,431)	(449,577)	(341,141)
Change in deposits from customers	4,854,932	23,243,404	(8,200,077)	12,802,309
Change in investment accounts of customers	(1,912,284)	(5,379,243)	-	-
Change in deposits and placements from financial institutions	2,884,616	14,958,672	2,457,575	18,531,898
Change in financial liabilities at fair value through profit or loss	(1,476,152)	59,986	(1,091,166)	(40,815)
Change in reinsurance/retakaful assets and other insurance receivables	(465,449)	56,930	-	-
Change in insurance/takaful contract liabilities and other insurance payables	2,620,951	847,749	-	-
Change in other operating activities	(8,327,310)	(3,184,560)	(4,047,853)	(6,719,324)
Cash (used in)/generated from operations	(21,712,540)	6,117,653	(22,453,289)	15,143,388
Taxes and zakat paid	(1,576,974)	(1,279,379)	(776,952)	(643,960)
Net cash (used in)/generated from operating activities	(23,289,514)	4,838,274	(23,230,241)	14,499,428

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	Group		Bank	
	30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
Cash flows from investing activities				
Dividends received from:				
- financial investments portfolio	48,743	61,556	3,992	3,217
- subsidiaries	-	-	1,735,163	1,576,610
Purchase of property, plant and equipment	(82,618)	(115,602)	(27,708)	(38,761)
Purchase of investment properties	(2,158)	(72,505)	-	-
Purchase of intangible assets	(112,122)	(179,285)	(22,311)	(60,783)
Purchase of additional ordinary shares in existing subsidiary	-	-	(194,029)	(1,524,967)
Proceeds from disposal of property, plant and equipment	3,780	77,835	24	59,905
Purchase of shares in deemed controlled entities	-	-	-	(873)
Net effect arising from transaction with non-controlling interests	30,958	61,935	-	-
Net effect arising from disposal of deemed controlled entities	-	-	-	140,188
Net effect arising from acquisition of associate	(194,070)	-	-	-
Net cash (used in)/generated from investing activities	(307,487)	(166,066)	1,495,131	154,536
Cash flows from financing activities				
Proceeds from issuance of shares	1,533,431	1,444,750	1,533,431	1,444,750
Drawdown/(repayment) of borrowings, net	4,714,915	(1,628,044)	5,151,286	(3,074,299)
Issuance of subordinated obligations	3,700,000	-	3,700,000	-
Redemption of subordinated obligations	(4,801,002)	(63,000)	(3,700,000)	(63,000)
Drawdown of financial liabilities at fair value through profit or loss	-	605,925	-	605,925
Repayment of lease liabilities	(190,506)	-	(50,816)	-
Recourse obligations on loans and financing sold to Cagamas, net	(16,104)	1,066	(16,104)	1,066
Rights issuance exercised by non-controlling interests	-	9,103	-	-
Dividends paid	(3,535,899)	-	(3,535,899)	-
Dividends paid to non-controlling interests	(101,805)	(89,126)	-	-
Net cash generated from/(used in) financing activities	1,303,030	280,674	3,081,898	(1,085,558)
Net (decrease)/increase in cash and cash equivalents	(22,293,971)	4,952,882	(18,653,212)	13,568,406
Cash and cash equivalents at beginning of period	57,058,138	53,933,844	40,660,229	39,306,384
Effects of foreign exchange rate changes	99,077	(304,797)	58,046	(235,087)
Cash and cash equivalents at end of period	34,863,244	58,581,929	22,065,063	52,639,703

Cash and cash equivalents included in the cash flow statements comprise the following amounts in Statements of Financial Position:

	Group		Bank	
	30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
Cash and short-term funds	40,381,636	51,063,643	19,792,784	40,182,306
Deposits and placements with financial institutions	9,809,174	16,645,439	16,927,395	21,148,241
	50,190,810	67,709,082	36,720,179	61,330,547
Less:				
Cash and short-term funds and deposits and placements with financial institutions, with original maturity of more than three months	(15,327,566)	(9,127,153)	(14,655,116)	(8,690,844)
Cash and cash equivalents at end of period	34,863,244	58,581,929	22,065,063	52,639,703

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to these financial statements)

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Part A: Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) Interim Financial Reporting

A1. Basis of Preparation

The unaudited condensed interim financial statements for the Group and the Bank have been prepared under the historical cost convention except for the following assets and liabilities that are stated at fair values: financial assets at fair value through other comprehensive income, financial assets and liabilities at fair value through profit or loss, derivative financial instruments and investment properties.

The unaudited condensed interim financial statements have been prepared in accordance with the requirements of Chapter 9, part K of the Listing Requirements of Bursa Malaysia Securities Berhad, MFRS 134 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*.

The unaudited condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2018. These explanatory notes attached to the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and of the Bank since the financial year ended 31 December 2018.

The unaudited condensed interim financial statements of the Group include Islamic banking and insurance business. Islamic banking refers generally to the acceptance of deposits, granting of financing and dealing in Islamic securities under the Shariah principles. Insurance business refers to the underwriting of general and life insurance business, the management of general and family takaful business and investment-linked business.

The significant accounting policies and methods of computation applied by the Group and the Bank are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2018 except for adoption of the following new Malaysian Financial Reporting Standards (“MFRSs”), amendments to MFRSs, annual improvements to MFRSs and IC Interpretations which are effective for annual periods beginning on or after 1 January 2019:

- MFRS 9 *Prepayment Features with Negative Compensation* (Amendments to MFRS 9)
- MFRS 16 *Leases*
- MFRS 128 *Long-term Interests in Associates and Joint Ventures* (Amendments to MFRS 128)
- Annual Improvements to MFRSs 2015-2017 Cycle
 - (i) MFRS 3 *Business Combinations*
 - (ii) MFRS 11 *Joint Arrangements*
 - (iii) MFRS 112 *Income Taxes*
 - (iv) MFRS 123 *Borrowing Costs*
- MFRS 119 *Plan Amendment, Curtailment or Settlement* (Amendments to MFRS 119)
- IC Interpretation 23 *Uncertainty over Income Tax Treatments*

The adoption of the above new MFRSs, amendments to MFRSs, annual improvements to MFRSs and IC Interpretations do not have any significant financial impact to the Group's and the Bank's financial statements, except for as disclosed below:

MFRS 16 Leases

Before the adoption of MFRS 16, the Group and the Bank classified each of its leases such as premises for branches, data centres and IT and office equipments at the inception date as either a finance lease or an operating lease in accordance with MFRS 117 *Leases*. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group or the Bank; otherwise, it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased assets were not capitalised and the lease payments were recognised as rental expense in the statements of comprehensive income on a straight-line basis over the lease term. Any prepaid and accrued rent were recognised under other assets: prepayments and other liabilities: accruals, respectively.

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A1. Basis of Preparation (cont'd.)

MFRS 16 Leases (cont'd.)

MFRS 16 is mandatorily applicable initially for annual periods beginning on or after 1 January 2019 and replaces MFRS 117, IC Interpretation 4 *Determining whether an Arrangement contains a Lease*, IC Interpretation 115 *Operating Lease — Incentives* and IC Interpretation 127 *Evaluating the Substance of Transactions involving the Legal Form of a Lease*. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117. Lessor accounting under MFRS 16 is substantially unchanged from MFRS 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in MFRS 117. Therefore, MFRS 16 did not have an impact for leases where the Group or the Bank is the lessor.

Maybank has analysed the impact of the first-time application of MFRS 16 in a Group-wide project, including existing processes, systems and policies. The Group and the Bank have developed its approach for assessing the different types of leases including applying the recognition exemptions in the standard that allows the Group and the Bank not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets; and incorporating forward-looking assumptions in making certain decisions such as extension and termination options on lease contracts of which management have assessed on a case-by-case basis.

Leases previously classified as operating leases - The Group and the Bank as lessee

On 1 January 2019, the Group and the Bank have applied MFRS 16 for the first time using the modified retrospective approach, which requires the recognition of the cumulative effect of initially applying MFRS 16, to the retained earnings brought forward and not restate prior year/period comparatives information which remain as previously reported under MFRS 117 and related interpretations. The Group and the Bank also made use of the transition practical expedient in the standard to not recognise lease arrangements for which the lease term ends within 12 months of the date of initial application. The Group and the Bank have elected, on a lease-by-lease basis, to recognise the right-of-use assets at the amount equal to the lease liabilities, hence there were no impact to the retained earnings brought forward as at 1 January 2019.

The Group and the Bank elected the following transition practical expedients on a lease-by-lease basis for measurement purposes at first-time application of the standard:

- (1) A single discount rate was applied for those portfolio of leases with reasonably similar characteristics such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment;
- (2) Short-term lease contracts with a term not exceeding 12 months at the date of initial application are not recognised under MFRS 16;
- (3) Initial direct costs are excluded from the measurement of the right-of-use asset at the date of initial application; and
- (4) The Group and the Bank used hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

The detailed financial impact of the adoption of MFRS 16 on the financial statements of the Group and of the Bank are disclosed in Note A42.

Summary of new accounting policy

Right-of-Use Assets

At inception of a contract, the Group and the Bank assess whether a contract is, or contains, a lease arrangement based on whether the contract that conveys to the user (the lessee) the right to control the use of an identified asset for a period of time in exchange for consideration. If a contract contains more than one lease component, or a combination of leasing and services transactions, the consideration is allocated to each of these lease and non-lease components on conclusion and on each subsequent re-measurement of the contract on the basis of their relative stand-alone selling prices. The Group and the Bank combine lease and non-lease components, in cases where splitting the non-lease component is not possible.

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A1. Basis of Preparation (cont'd.)

MFRS 16 Leases (cont'd.)

Summary of new accounting policy (cont'd.)

Right-of-Use Assets (cont'd.)

The Group and the Bank recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The lease term includes periods covered by an option to extend if the Group is reasonably certain to exercise that option. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment assessment.

Lease Liabilities

At the commencement date of the lease, the Group and the Bank recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Bank and payments of penalties for terminating a lease, if the lease term reflects the Group and the Bank exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Bank use the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-Term Leases and Leases of Low-Value Assets

The Group and the Bank apply the short-term lease recognition exemption to its short-term leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of assets that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant Judgement in Determining the Lease Term of Contracts with Renewal Options

The Group and the Bank determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group and the Bank have the option, under some of its leases to lease the assets for additional terms of three to five years. The Group and the Bank apply judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group and the Bank reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy). The Group included the renewal period as part of the lease term for leases of premises and IT equipments due to the significance of these assets to its operations.

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A2. Significant Accounting Policies

The audited annual financial statements of the Group and of the Bank for the financial year ended 31 December 2018 were prepared in accordance with MFRS and International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia. The significant accounting policies adopted in preparing these unaudited condensed interim financial statements are consistent with those of the audited annual financial statements for the financial year ended 31 December 2018 except for the adoption of the new MFRSs, amendments to MFRSs, annual improvements to MFRSs and IC Interpretations which are effective for annual periods beginning on or after 1 January 2019 as disclosed in Note A1.

A3. Significant Accounting Estimates and Judgements

The preparation of unaudited condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Although these estimates and judgements are based on management's best knowledge of current events and actions, actual results may differ.

In preparing these unaudited condensed interim financial statements, the significant judgements made by management in applying the Group's and the Bank's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements for the financial year ended 31 December 2018 except for the measurement of right-of-use assets and lease liabilities under MFRS 16 which involves increased complexity and judgement as disclosed in Note A1.

A4. Auditors' Report on Preceding Audited Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2018 was not qualified.

A5. Seasonal or Cyclical Factors

The operations of the Group and of the Bank were not materially affected by any seasonal or cyclical factors during the financial half year ended 30 June 2019.

A6. Unusual Items Due to Their Nature, Size or Incidence

During the financial half year ended 30 June 2019, save as disclosed in Note A8 below, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and of the Bank.

A7. Changes in Estimates

There were no material changes in estimates during the financial half year ended 30 June 2019.

A8. Changes in Debt and Equity Securities

(i) The following are the changes in debt and equity securities for the Group and the Bank during the financial half year ended 30 June 2019:

(a) **Share capital**

The share capital of the Bank increased from RM46,747,441,623 as at 31 December 2018 to RM48,280,872,887 as at 30 June 2019 via issuance of 191,678,908 new ordinary shares amounting to RM1,533,431,264 arising from the Dividend Reinvestment Plan ("DRP") relating to electable portion of the final dividend of 17 sen in respect of the financial year ended 31 December 2018.

The issued ordinary shares of the Bank as at 30 June 2019 is 11,241,361,887 units (31 December 2018: 11,049,682,979 units).

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A8. Changes in Debt and Equity Securities (cont'd.)

- (i) The following are the changes in debt and equity securities for the Group and the Bank during the financial half year ended 30 June 2019 (cont'd.):

(b) **Borrowings**

Issuance/redemption of medium term notes by Maybank

Currency	Description	Aggregate Nominal Value (in Million)
Issuance of medium term notes		
USD	Floating Rate Notes	231.0
USD	Fixed Rate Notes	75.0
HKD	Fixed Rate Notes	2,200.0
CNY	Fixed Rate Notes	330.0
JPY	Fixed Rate Notes (Samurai Bonds)	54,800.0
CNY	Panda Bonds	2,000.0
RM	Fixed Rate Notes	17.0
Redemption of medium term notes		
JPY	Fixed Rate Notes	30,000.0
USD	Floating Rate Notes	50.0
AUD	Floating Rate Notes	56.0
USD	Fixed Rate Notes	50.0
HKD	Fixed Rate Notes	504.0

Issuance of commercial papers by Maybank

The aggregate nominal value of the commercial papers issued by Maybank and outstanding as at 30 June 2019 are as follows:

Currency	Description	Aggregate Nominal Value (in Million)
USD	Zero Coupon Notes	640.0
HKD	Fixed Rate Notes	200.0
RM	Zero Coupon Notes	438.2

Issuance/redemption of bonds by PT Bank Maybank Indonesia Tbk and its subsidiaries

Currency	Description	Aggregate Nominal Value (in Million)
Issuance of bonds		
IDR	Fixed Rate Notes	3,315,500.0
Redemption of bonds		
IDR	Fixed Rate Notes	1,892,000.0
IDR	Sukuk Mudharabah	700,000.0

Issuance of commercial papers by Maybank Islamic Berhad

The aggregate nominal value of the commercial papers issued by Maybank Islamic Berhad and outstanding as at 30 June 2019 are as follows:

Currency	Description	Aggregate Nominal Value (in Million)
RM	Zero Coupon Notes	6,000.0

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A8. Changes in Debt and Equity Securities (cont'd.)

- (i) The following are the changes in debt and equity securities for the Group and the Bank during the financial half year ended 30 June 2019 (cont'd.):

(c) **Subordinated Obligations**

Issuance of Tier 2 Subordinated Sukuk Murabahah pursuant to the RM10.0 billion Sukuk Programme by Maybank

Issuance	Issue Date	Maturity Date	Nominal Value	Description	Tenor
Issuance	31 January 2019	31 January 2029	RM2.0 billion	Tier 2 Subordinated Sukuk Murabahah (10 non-call 5)	10 years
Issuance	31 January 2019	31 January 2031	RM1.7 billion	Tier 2 Subordinated Sukuk Murabahah (12 non-call 7)	12 years

Redemption of Tier 2 Subordinated Notes pursuant to the RM20.0 billion Subordinated Note Programme by Maybank

Redemption	First Call	Maturity Date	Nominal Value	Description	Tenor
Redemption	29 January 2019	29 January 2024	RM1.6 billion	Tier 2 Subordinated Notes (10 non-call 5) ¹	10 years
Redemption	10 May 2019	10 May 2024	RM2.1 billion	Tier 2 Subordinated Notes (12 non-call 7) ²	12 years

¹ These subordinated notes were fully redeemed on 29 January 2019.

² These subordinated notes were fully redeemed on 10 May 2019.

Issuance of Subordinated Sukuk Murabahah pursuant to the RM10.0 billion Subordinated Sukuk Programme by Maybank Islamic Berhad

Issuance	Issue Date	Maturity Date	Nominal Value	Description	Tenor
Issuance	5 April 2019	5 April 2029	RM1.0 billion	Tier 2 Subordinated Sukuk Murabahah (10 non-call 5)	10 years

Redemption of Subordinated Sukuk Murabahah pursuant to the RM10.0 billion Subordinated Sukuk Programme by Maybank Islamic Berhad

Redemption	First Call Date	Maturity Date	Nominal Value	Description	Tenor
Redemption	5 April 2019	5 April 2024	RM1.5 billion	Tier 2 Subordinated Sukuk Murabahah (10 non-call 5) ³	10 years

³ These subordinated notes were fully redeemed on 5 April 2019.

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A8. Changes in Debt and Equity Securities (cont'd.)

- (ii) The following are the changes in debt securities for the Group and the Bank subsequent to the financial half year ended 30 June 2019 and have not been reflected in the financial statements for the financial half year ended 30 June 2019:

(a) **Borrowings**

Issuance/redemption of medium term notes by Maybank

Currency	Description	Aggregate Nominal Value (in Million)
Issuance of medium term notes		
AUD	Floating Rate Notes	50.0
USD	Floating Rate Notes	850.0
RM	Fixed Rate Notes	25.0
Redemption of medium term notes		
CNY	Fixed Rate Notes	630.0
HKD	Fixed Rate Notes	200.0
JPY	Fixed Rate Notes	20,000.0

Issuance/redemption of bonds by PT Bank Maybank Indonesia Tbk and its subsidiaries

Currency	Description	Aggregate Nominal Value (in Million)
Issuance of bonds		
IDR	Floating Rate Notes	1,000,000.0
Redemption of bonds		
IDR	Fixed Rate Notes	250,000.0

Save as disclosed above, there were no cancellations, share buy-backs, resale of shares bought back by the Group and by the Bank.

A9. Dividends Paid

Dividends paid during the financial half year ended 30 June 2019 are as follows:

- (a) During the Annual General Meeting held on 11 April 2019, a final dividend in respect of the financial year ended 31 December 2018 of 32 sen single-tier dividend per ordinary share was approved by the shareholders.

The dividend consists of cash portion of 15 sen per ordinary share amounting to RM1,657,452,447 and an electable portion of 17 sen per ordinary share amounting to RM1,878,446,106 where the electable portion could be elected to be reinvested in new Maybank shares in accordance with the Dividend Reinvestment Plan ("DRP").

The payment date for cash dividends and crediting of ordinary shares under the DRP was completed on 7 June 2019.

- (b) Dividends paid by Maybank's subsidiaries to non-controlling interests amounted to RM101,805,000 during the financial half year ended 30 June 2019.

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A10. Financial Investments Portfolio

	Note	Group		Bank	
		30 June 2019 RM'000	31 December 2018 RM'000	30 June 2019 RM'000	31 December 2018 RM'000
Financial assets designated upon initial recognition at fair value through profit or loss	(i)	16,068,510	15,716,038	-	-
Financial investments at fair value through profit or loss	(ii)	18,134,766	14,252,900	13,384,014	8,914,167
Financial investments at fair value through other comprehensive income	(iii)	131,530,476	120,913,888	94,420,750	89,582,837
Financial investments at amortised cost	(iv)	29,198,093	27,069,261	26,475,342	22,857,070
		194,931,845	177,952,087	134,280,106	121,354,074

(i) Financial assets designated upon initial recognition at fair value through profit or loss

	Group		Bank	
	30 June 2019 RM'000	31 December 2018 RM'000	30 June 2019 RM'000	31 December 2018 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	86,070	167,484	-	-
Malaysian Government Investment Issues	120,242	409,107	-	-
Foreign Government Securities	51,229	19,435	-	-
Foreign Government Treasury Bills	-	25,749	-	-
	257,541	621,775	-	-
Quoted securities:				
In Malaysia:				
Shares, warrants and loan stocks	27,370	24,252	-	-
Unit trusts	26,532	24,932	-	-
Outside Malaysia:				
Shares, warrants and loan stocks	73,708	65,701	-	-
	127,610	114,885	-	-
Unquoted securities:				
In Malaysia:				
Corporate Bonds and Sukuk	14,343,393	14,012,802	-	-
Structured deposits	244,386	272,111	-	-
Outside Malaysia:				
Corporate Bonds and Sukuk	1,095,580	694,465	-	-
	15,683,359	14,979,378	-	-
Total financial assets designated upon initial recognition at fair value through profit or loss	16,068,510	15,716,038	-	-

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A10. Financial Investments Portfolio (cont'd.)

(ii) Financial investments at fair value through profit or loss

	Group		Bank	
	30 June 2019 RM'000	31 December 2018 RM'000	30 June 2019 RM'000	31 December 2018 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	1,715,749	172,592	1,715,749	152,263
Malaysian Government Investment Issues	1,199,334	932,630	846,460	176,720
Cagamas Bonds	101,433	254,290	101,433	254,290
Negotiable instruments of deposits	179,775	176,621	179,775	176,621
Foreign Government Securities	2,022,016	1,793,844	1,835,736	1,738,814
Malaysian Government Treasury Bills	147,816	291,106	147,816	291,106
Bank Negara Malaysia Bills and Notes	1,542,553	75,896	1,542,553	75,896
Foreign Government Treasury Bills	571,635	13,965	571,635	13,965
	7,480,311	3,710,944	6,941,157	2,879,675
Quoted securities:				
In Malaysia:				
Shares, warrants and loan stocks	3,253,206	3,709,009	79,654	87,898
Unit trusts	289,194	69,185	96,608	69,185
Outside Malaysia:				
Shares, warrants, mutual funds and loan stocks	453,445	554,123	616	13,286
Unit trusts	148,101	124,960	47,391	43,839
Corporate Bonds and Sukuk	17,150	14,163	-	-
Government Bonds	-	54,915	-	-
	4,161,096	4,526,355	224,269	214,208
Unquoted securities:				
In Malaysia:				
Shares	763,892	770,229	600,549	600,549
Unit trusts	388	260,633	-	-
Corporate Bonds and Sukuk	604,033	1,376,170	178,012	1,778,334
Outside Malaysia:				
Shares	926	667	-	-
Unit trusts	10,243	3,393	-	-
Mutual funds	4,142	42,021	-	-
Corporate Bonds and Sukuk	2,502,639	2,869,421	2,842,559	2,971,641
Government Bonds	2,607,096	477,466	2,597,468	469,760
Structured deposits	-	215,601	-	-
	6,493,359	6,015,601	6,218,588	5,820,284
Total financial investments at fair value through profit or loss	18,134,766	14,252,900	13,384,014	8,914,167

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A10. Financial Investments Portfolio (cont'd.)

(iii) Financial investments at fair value through other comprehensive income

	Group		Bank	
	30 June 2019 RM'000	31 December 2018 RM'000	30 June 2019 RM'000	31 December 2018 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	12,720,854	13,016,540	12,709,664	12,994,902
Malaysian Government Investment Issues	24,142,907	26,548,415	13,337,666	16,453,295
Negotiable instruments of deposits	2,801,476	101,710	1,285,560	699,011
Foreign Government Securities	9,176,118	9,027,030	6,210,694	7,046,826
Foreign Government Treasury Bills	16,202,429	15,413,937	5,313,875	5,089,308
Khazanah Bonds	2,367,401	2,475,788	2,332,580	2,322,544
Cagamas Bonds	913,737	889,251	913,737	889,251
	<u>68,324,922</u>	<u>67,472,671</u>	<u>42,103,776</u>	<u>45,495,137</u>
Quoted securities:				
In Malaysia:				
Shares, warrants and loan stocks	10,264	7,660	20,795	19,677
Outside Malaysia:				
Shares, warrants and loan stocks	881	2,748	-	-
Corporate Bonds and Sukuk	62,615	64,056	-	-
Government Bonds	125,697	114,702	-	-
	<u>199,457</u>	<u>189,166</u>	<u>20,795</u>	<u>19,677</u>
Unquoted securities:				
In Malaysia:				
Shares and loan stocks	298,034	335,393	274,940	280,744
Government Bonds	368,544	564,361	324,391	520,595
Corporate Bonds and Sukuk	26,885,973	24,976,821	19,525,710	18,096,677
Outside Malaysia:				
Shares	3,659	3,501	-	-
Government Bonds	15,881,133	11,273,252	15,087,591	10,567,929
Corporate Bonds and Sukuk	19,568,754	16,098,723	17,083,547	14,602,078
	<u>63,006,097</u>	<u>53,252,051</u>	<u>52,296,179</u>	<u>44,068,023</u>
Total financial investments at fair value through other comprehensive income	<u>131,530,476</u>	<u>120,913,888</u>	<u>94,420,750</u>	<u>89,582,837</u>

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A10. Financial Investments Portfolio (cont'd.)

(iii) Financial investments at fair value through other comprehensive income (cont'd.)

(a) Movements in the allowances for impairment losses on financial investments at fair value through other comprehensive income are as follows:

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
At 30 June 2019	RM'000	RM'000	RM'000	RM'000
At 1 January 2019	28,066	1,579	183,330	212,975
Transferred to Stage 1	422	(422)	-	-
Net remeasurement of allowances	(1,083)	(21)	10,070	8,966
New financial assets originated or purchased	14,709	40	-	14,749
Financial assets derecognised	(9,753)	(65)	(6,841)	(16,659)
Changes due to change in risk parameters/models	(2,215)	(232)	-	(2,447)
Amount written-off	-	-	(14,727)	(14,727)
Exchange differences	(773)	62	305	(406)
At 30 June 2019	29,373	941	172,137	202,451

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
At 31 December 2018	RM'000	RM'000	RM'000	RM'000
At 1 January 2018				
- effect of adopting MFRS 9	37,885	20,938	314,057	372,880
At 1 January 2018, as restated	37,885	20,938	314,057	372,880
Transferred to Stage 1	1,305	(1,305)	-	-
Transferred to Stage 2	(92)	92	-	-
Transferred to Stage 3	(177)	-	177	-
Net remeasurement of allowances	(9,814)	(260)	81,601	71,527
New financial assets originated or purchased	14,436	895	-	15,331
Financial assets derecognised	(23,408)	(18,380)	(8,314)	(50,102)
Amount written-off	-	-	(203,457)	(203,457)
Exchange differences	7,931	(401)	(734)	6,796
At 31 December 2018	28,066	1,579	183,330	212,975

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A10. Financial Investments Portfolio (cont'd.)

(iii) Financial investments at fair value through other comprehensive income (cont'd.)

(a) Movements in the allowances for impairment losses on financial investments at fair value through other comprehensive income are as follows (cont'd.):

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Bank				
At 30 June 2019				
At 1 January 2019	21,652	1,828	125,518	148,998
Transferred to Stage 1	378	(378)	-	-
Net remeasurement of allowances	(192)	29	3,383	3,220
New financial assets originated or purchased	9,800	-	-	9,800
Financial assets derecognised	(8,448)	-	-	(8,448)
Changes due to change in risk parameters/models	(2,156)	(232)	-	(2,388)
Amount written-off/realised	-	-	(7,541)	(7,541)
Exchange differences	(363)	(29)	58	(334)
At 30 June 2019	20,671	1,218	121,418	143,307
	Stage 1	Stage 2	Stage 3	
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
Bank				
At 31 December 2018				
At 1 January 2018				
- effect of adopting MFRS 9	29,297	20,607	300,335	350,239
At 1 January 2018, as restated	29,297	20,607	300,335	350,239
Transferred to Stage 1	1,305	(1,305)	-	-
Transferred to Stage 2	(78)	78	-	-
Transferred to Stage 3	(155)	-	155	-
Net remeasurement of allowances	(5,841)	(246)	38,575	32,488
New financial assets originated or purchased	11,131	860	-	11,991
Financial assets derecognised	(18,970)	(17,896)	(8,314)	(45,180)
Amount written-off/realised	-	-	(203,457)	(203,457)
Exchange differences	4,963	(270)	(1,776)	2,917
At 31 December 2018	21,652	1,828	125,518	148,998

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A10. Financial Investments Portfolio (cont'd.)

(iv) Financial investments at amortised cost

	Group		Bank	
	30 June 2019 RM'000	31 December 2018 RM'000	30 June 2019 RM'000	31 December 2018 RM'000
Money market instruments:				
Malaysian Government Securities	3,347,261	3,343,923	3,347,158	3,343,819
Cagamas Bonds	50,242	50,253	50,242	50,253
Malaysian Government Investment Issues	6,381,788	5,974,162	4,538,886	4,433,186
Foreign Government Securities	2,126,955	1,902,111	-	-
Khazanah Bonds	241,617	236,635	241,617	236,635
Foreign Certificates of Deposits	180,422	154,150	-	-
	12,328,285	11,661,234	8,177,903	8,063,893
Unquoted securities:				
In Malaysia:				
Corporate Bonds and Sukuk	12,946,882	12,203,579	15,890,580	12,353,936
Others	2,044	2,044	2,044	2,044
Outside Malaysia:				
Corporate Bonds and Sukuk	2,960,501	2,952,669	2,504,590	2,505,578
Government Bonds	1,121,235	366,633	45,529	30,909
	17,030,662	15,524,925	18,442,743	14,892,467
Accumulated impairment losses	(160,854)	(116,898)	(145,304)	(99,290)
Total financial investments at amortised cost	29,198,093	27,069,261	26,475,342	22,857,070

(a) Movements in the allowances for impairment losses on financial investments at amortised cost are as follows:

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
At 30 June 2019				RM'000
At 1 January 2019	19,469	42,189	55,240	116,898
Net remeasurement of allowances	(749)	(1,478)	41,313	39,086
New financial assets originated or purchased	5,585	89	-	5,674
Financial assets derecognised	(2,691)	(137)	-	(2,828)
Changes due to change in risk parameters/models	(722)	2,702	-	1,980
Exchange differences	51	(7)	-	44
At 30 June 2019	20,943	43,358	96,553	160,854

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A10. Financial Investments Portfolio (cont'd.)

(iv) Financial investments at amortised cost (cont'd.)

(a) Movements in the allowances for impairment losses on financial investments at amortised cost are as follows (cont'd.):

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
At 31 December 2018	RM'000	RM'000	RM'000	RM'000
At 1 January 2018				
- as previously stated - MFRS 139				4,224
- effect of adopting MFRS 9				101,739
At 1 January 2018, as restated	20,113	82,074	3,776	105,963
Transferred to Stage 1	20,370	(20,370)	-	-
Transferred to Stage 2	(113)	113	-	-
Transferred to Stage 3	(294)	-	294	-
Net remeasurement of allowances	(24,143)	(18,812)	51,170	8,215
New financial assets originated or purchased	8,728	-	-	8,728
Financial assets derecognised	(5,198)	(816)	-	(6,014)
Exchange differences	6	-	-	6
At 31 December 2018	19,469	42,189	55,240	116,898
Bank	Stage 1	Stage 2	Stage 3	Total
At 30 June 2019	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
At 30 June 2019	RM'000	RM'000	RM'000	RM'000
At 1 January 2019	11,316	32,734	55,240	99,290
Net remeasurement of allowances	(736)	(1,476)	41,313	39,101
New financial assets originated or purchased	3,628	-	-	3,628
Financial assets derecognised	(1,665)	(32)	-	(1,697)
Changes due to change in risk parameters/models	260	4,733	-	4,993
Exchange differences	(2)	(9)	-	(11)
At 30 June 2019	12,801	35,950	96,553	145,304
Bank	Stage 1	Stage 2	Stage 3	Total
At 31 December 2018	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
At 31 December 2018	RM'000	RM'000	RM'000	RM'000
At 1 January 2018				
- as previously stated - MFRS 139				3,776
- effect of adopting MFRS 9				76,190
At 1 January 2018, as restated	7,780	68,410	3,776	79,966
Transferred to Stage 1	20,370	(20,370)	-	-
Transferred to Stage 2	(69)	69	-	-
Transferred to Stage 3	(294)	-	294	-
Net remeasurement of allowances	(17,527)	(14,559)	51,170	19,084
New financial assets originated or purchased	2,844	-	-	2,844
Financial assets derecognised	(1,937)	(816)	-	(2,753)
Exchange differences	149	-	-	149
At 31 December 2018	11,316	32,734	55,240	99,290

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A11. Loans, Advances and Financing

	Note	Group		Bank	
		30 June 2019	31 December 2018	30 June 2019	31 December 2018
		RM'000	RM'000	RM'000	RM'000
Loans, advances and financing to financial institutions	(i)	1,589,308	1,576,199	17,343,327	17,052,024
Loans, advances and financing to customers	(ii)	513,672,599	505,507,620	211,602,790	213,314,768
		515,261,907	507,083,819	228,946,117	230,366,792
(i) Loans, advances and financing to financial institutions^:					
Gross loans, advances and financing to financial institutions at amortised cost		1,602,165	1,586,487	17,498,764	17,329,554
Allowances for impaired loans, advances and financing:					
- Stage 1 - 12-month ECL		(12,857)	(10,288)	(49,971)	(24,693)
- Stage 2 - Lifetime ECL not credit impaired		-	-	(10,252)	(50,130)
- Stage 3 - Lifetime ECL credit impaired		-	-	(95,214)	(202,707)
Net loans, advances and financing to financial institutions		1,589,308	1,576,199	17,343,327	17,052,024
(ii) Loans, advances and financing to customers:					
(A) Loans, advances and financing to customers at fair value through profit or loss		369,139	396,950	369,139	396,950
(B) Loans, advances and financing to customers at fair value through other comprehensive income		10,804,833	8,968,438	10,506,502	8,680,217
(C) Loans, advances and financing to customers at amortised cost		607,722,670	603,897,146	208,336,741	211,710,171
		618,896,642	613,262,534	219,212,382	220,787,338
Unearned interest and income		(94,920,317)	(97,515,284)	(1,755,540)	(1,946,903)
Gross loans, advances and financing to customers		523,976,325	515,747,250	217,456,842	218,840,435
Allowances for impaired loans, advances and financing:					
- Stage 1 - 12-month ECL		(1,558,801)	(1,644,653)	(619,939)	(632,504)
- Stage 2 - Lifetime ECL not credit impaired		(2,016,953)	(2,518,274)	(974,851)	(1,174,896)
- Stage 3 - Lifetime ECL credit impaired		(6,727,972)	(6,076,703)	(4,259,262)	(3,718,267)
Net loans, advances and financing to customers		513,672,599	505,507,620	211,602,790	213,314,768
Net loans, advances and financing	(i) & (ii)	515,261,907	507,083,819	228,946,117	230,366,792

^ Included in the Bank's loans/financing to financial institutions is financing granted to Maybank Islamic Berhad ("MIB"), a subsidiary of the Bank, under Restricted Profit-Sharing Investment Account ("RPSIA") amounting to RM17,325.2 million (31 December 2018: RM17,223.2 million). The RPSIA is a contract based on the Mudharabah principle between two parties to finance a financing where the Bank acts as the investor who solely provides capital to MIB whereas the business venture is managed solely by MIB as an entrepreneur. The profit of the business venture is shared between both parties based on pre-agreed ratios. Losses, if any, are borne by the Bank.

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A11. Loans, Advances and Financing (cont'd.)

	Group		Bank	
	30 June 2019 RM'000	31 December 2018 RM'000	30 June 2019 RM'000	31 December 2018 RM'000
(iii) Loans, advances and financing to financial institutions and customers				
Loans/financing to financial institutions	1,602,165	1,586,487	17,498,764	17,329,554
Overdrafts/cashline	21,247,169	21,299,471	7,929,189	8,106,770
Term loans:				
- Housing loans/financing	162,542,542	159,088,775	37,786,049	36,356,772
- Syndicated loans/financing	47,083,135	46,222,426	41,676,520	41,244,555
- Hire purchase receivables	76,856,242	75,934,569	15,709,617	16,408,151
- Lease receivables	376,908	242,882	-	-
- Other loans/financing	217,669,716	214,424,843	68,839,069	68,553,882
Credit card receivables	8,139,287	9,343,455	4,922,534	6,146,551
Bills receivables	3,570,072	3,789,648	2,898,697	3,110,604
Trust receipts	5,063,588	5,200,001	3,927,438	3,936,289
Claims on customers under acceptance credits	10,872,710	11,528,371	5,289,955	5,835,521
Revolving credits	56,276,206	56,468,421	27,838,705	28,623,423
Share margin financing	5,633,041	5,997,054	1,871,435	1,821,367
Staff loans	3,422,261	3,484,282	522,154	643,079
Loans to:				
- Directors of the Bank	4,363	3,007	58	302
- Directors of subsidiaries	5,469	4,439	927	72
Others	133,933	230,890	35	-
	620,498,807	614,849,021	236,711,146	238,116,892
Unearned interest and income	(94,920,317)	(97,515,284)	(1,755,540)	(1,946,903)
Gross loans, advances and financing	525,578,490	517,333,737	234,955,606	236,169,989
Allowances for impaired loans, advances and financing:				
- Stage 1 - 12-month ECL	(1,571,658)	(1,654,941)	(669,910)	(657,197)
- Stage 2 - Lifetime ECL not credit impaired	(2,016,953)	(2,518,274)	(985,103)	(1,225,026)
- Stage 3 - Lifetime ECL credit impaired	(6,727,972)	(6,076,703)	(4,354,476)	(3,920,974)
Net loans, advances and financing	515,261,907	507,083,819	228,946,117	230,366,792

(iv) Loans, advances and financing analysed by type of customer are as follows:

	Group		Bank	
	30 June 2019 RM'000	31 December 2018 RM'000	30 June 2019 RM'000	31 December 2018 RM'000
Domestic banking institutions	1,608,694	6,908	17,511,484	17,220,465
Domestic non-banking financial institutions	25,993,927	26,193,612	18,566,280	18,552,066
Domestic business enterprises:				
- Small and medium enterprises	83,054,229	99,533,072	40,075,684	58,697,124
- Others	105,445,393	93,524,665	58,296,547	44,183,640
Government and statutory bodies	14,467,620	13,656,700	90,145	139,377
Individuals	244,839,216	237,263,494	62,774,194	61,001,130
Other domestic entities	12,040,913	9,795,754	2,303,387	1,836,429
Foreign entities	38,128,498	37,359,532	35,337,885	34,539,758
Gross loans, advances and financing	525,578,490	517,333,737	234,955,606	236,169,989

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A11. Loans, Advances and Financing (cont'd.)

(v) Loans, advances and financing analysed by geographical location are as follows:

	Group		Bank	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Malaysia	305,662,615	301,734,794	138,624,461	141,519,718
Singapore	132,700,636	130,263,205	60,780,294	59,760,535
Indonesia	41,006,515	39,792,918	-	-
Labuan Offshore	17,587,546	17,829,128	17,587,546	17,829,128
Hong Kong SAR	10,115,956	8,824,183	9,696,282	8,583,851
United States of America	1,156,307	888,894	1,155,723	888,310
People's Republic of China	4,192,502	4,050,027	4,192,502	4,050,027
Vietnam	1,182,635	1,075,504	904,009	839,577
United Kingdom	997,822	1,627,168	997,807	1,627,123
Brunei	618,643	624,809	618,643	624,809
Cambodia	2,586,697	2,436,379	-	-
Philippines	6,089,140	6,143,148	-	-
Thailand	1,279,164	1,592,704	-	-
Laos	139,196	149,387	139,196	149,387
Myanmar	259,143	297,524	259,143	297,524
Others	3,973	3,965	-	-
Gross loans, advances and financing	525,578,490	517,333,737	234,955,606	236,169,989

(vi) Loans, advances and financing analysed by interest/profit rate sensitivity are as follows:

	Group		Bank	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Fixed rate:				
- Housing loans/financing	17,781,966	16,663,446	393,516	435,889
- Hire purchase receivables	66,844,948	65,297,909	13,883,162	14,531,517
- Other fixed rate loans/financing	60,674,611	64,927,250	39,324,918	42,800,462
Variable rate:				
- Base lending/financing rate/ base rate plus	206,162,702	198,416,862	83,880,534	82,756,689
- Cost plus	66,442,983	65,968,105	51,681,915	51,651,165
- Other variable rates	107,671,280	106,060,165	45,791,561	43,994,267
Gross loans, advances and financing	525,578,490	517,333,737	234,955,606	236,169,989

(vii) Loans, advances and financing analysed by economic purpose are as follows:

	Group		Bank	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	35,883,033	35,527,786	7,959,922	8,286,409
Purchase of transport vehicles	67,850,774	66,604,915	12,702,931	13,483,796
Purchase of landed properties:				
- Residential	118,852,897	114,371,528	36,550,820	35,594,858
- Non-residential	40,516,593	39,220,906	19,238,938	18,948,128
Purchase of fixed assets (excluding landed properties)	4,492,683	4,818,811	3,965,546	4,308,283
Personal use	10,727,583	10,820,029	4,459,984	4,548,602
Credit card	9,323,321	9,534,058	6,070,823	6,287,421
Purchase of consumer durables	10,046	10,882	9,769	10,580
Constructions	16,857,476	16,078,361	10,023,221	10,481,392
Mergers and acquisitions	2,122,107	1,542,456	2,086,344	1,504,698
Working capital	172,124,042	170,484,232	94,377,915	93,428,944
Others	46,817,935	48,319,773	37,509,393	39,286,878
Gross loans, advances and financing	525,578,490	517,333,737	234,955,606	236,169,989

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A11. Loans, Advances and Financing (cont'd.)

(viii) The maturity profile of loans, advances and financing are as follows:

	Group		Bank	
	30 June 2019 RM'000	31 December 2018 RM'000	30 June 2019 RM'000	31 December 2018 RM'000
Within one year	135,056,951	135,610,572	75,098,601	76,164,888
One year to three years	60,812,238	59,706,901	43,652,437	43,006,884
Three years to five years	57,520,597	59,767,404	31,431,432	34,936,137
After five years	272,188,704	262,248,860	84,773,136	82,062,080
Gross loans, advances and financing	525,578,490	517,333,737	234,955,606	236,169,989

(ix) Movements in impaired loans, advances and financing ("impaired loans") are as follows:

	Group		Bank	
	30 June 2019 RM'000	31 December 2018 RM'000	30 June 2019 RM'000	31 December 2018 RM'000
At 1 January				
- as previously stated	12,486,421	11,549,903	8,054,989	8,070,841
- effect of adopting MFRS 9	-	551,347	-	183,360
At 1 January, as restated	12,486,421	12,101,250	8,054,989	8,254,201
Impaired during the financial period/year	3,594,842	6,162,782	1,733,696	3,721,057
Reclassified as non-impaired	(339,399)	(797,493)	(120,207)	(434,523)
Amount recovered	(1,279,579)	(2,524,215)	(987,489)	(1,619,357)
Amount written-off	(791,691)	(2,553,154)	(274,804)	(1,671,973)
Transferred to subsidiaries, net	-	-	-	(526,697)
Exchange differences	118,770	97,251	121,943	332,281
Gross impaired loans at 30 June 2019/ 31 December 2018	13,789,364	12,486,421	8,528,128	8,054,989
Less: Stage 3 - Lifetime ECL credit impaired	(7,122,474)	(6,229,987)	(4,748,978)	(4,074,258)
Net impaired loans at 30 June 2019/ 31 December 2018	6,666,890	6,256,434	3,779,150	3,980,731

Calculation of ratio of net impaired loans:

	Group		Bank	
	30 June 2019 RM'000	31 December 2018 RM'000	30 June 2019 RM'000	31 December 2018 RM'000
Gross impaired loans at 30 June 2019/ 31 December 2018 (excluding financing funded by Investment Account*)	12,720,967	12,423,002	8,528,128	8,054,989
Less: Stage 3 - Lifetime ECL credit impaired	(7,122,474)	(6,229,987)	(4,748,978)	(4,074,258)
Net impaired loans	5,598,493	6,193,015	3,779,150	3,980,731
Gross loans, advances and financing	525,578,490	517,333,737	234,955,606	236,169,989
Less: Funded by Investment Account*	(21,652,777)	(23,565,061)	-	-
Less: Allowances for impaired loans, advances and financing at fair value through other comprehensive income and at amortised cost	(10,748,940)	(10,435,012)	(6,437,832)	(5,983,091)
Net loans, advances and financing	493,176,773	483,333,664	228,517,774	230,186,898
Ratio of net impaired loans	1.14%	1.28%	1.65%	1.73%

*In the books of Maybank Islamic Berhad, a wholly-owned subsidiary of the Bank.

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A11. Loans, Advances and Financing (cont'd.)

(x) Impaired loans, advances and financing by economic purpose are as follows:

	Group		Bank	
	30 June 2019 RM'000	31 December 2018 RM'000	30 June 2019 RM'000	31 December 2018 RM'000
Purchase of securities	177,397	171,949	123,852	125,050
Purchase of transport vehicles	492,183	423,797	94,229	90,792
Purchase of landed properties:				
- Residential	1,045,641	963,061	333,048	320,823
- Non-residential	687,048	1,059,724	484,900	874,210
Purchase of fixed assets (excluding landed properties)	1,323,349	1,292,213	1,261,218	1,275,586
Personal use	192,955	208,488	112,154	135,469
Credit card	73,242	77,281	34,026	35,826
Purchase of consumer durables	6,244	6,068	6,241	6,060
Constructions	1,761,633	1,720,827	1,471,601	1,301,329
Working capital	5,808,366	4,660,840	2,651,507	2,246,575
Others	2,221,306	1,902,173	1,955,352	1,643,269
Gross impaired loans, advances and financing	13,789,364	12,486,421	8,528,128	8,054,989

(xi) Impaired loans, advances and financing by geographical distribution are as follows:

	Group		Bank	
	30 June 2019 RM'000	31 December 2018 RM'000	30 June 2019 RM'000	31 December 2018 RM'000
Malaysia	6,536,244	5,756,439	3,884,038	3,652,980
Singapore	4,284,924	4,425,988	3,728,681	3,842,394
Indonesia	1,735,150	1,472,115	-	-
Labuan Offshore	293,134	306,498	293,134	306,498
Hong Kong SAR	6,239	7,296	5,498	6,384
United States of America	219,549	583	218,965	-
People's Republic of China	207,187	56,929	207,187	56,929
Vietnam	57,550	58,073	56,846	57,336
Brunei	68,131	69,737	68,131	69,737
Cambodia	76,374	97,093	-	-
Philippines	200,353	135,879	-	-
Thailand	34,909	33,093	-	-
Laos	65,648	62,731	65,648	62,731
Others	3,972	3,967	-	-
Gross impaired loans, advances and financing	13,789,364	12,486,421	8,528,128	8,054,989

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A11. Loans, Advances and Financing (cont'd.)

(xii) Movements in the allowances for impairment losses on loans, advances and financing are as follows:

At fair value through other comprehensive income

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
At 30 June 2019	RM'000	RM'000	RM'000	RM'000
At 1 January 2019	27,160	4,650	153,284	185,094
Transferred to Stage 2	(493)	493	-	-
Net remeasurement of allowances	651	4,307	257,260	262,218
New financial assets originated or purchased	9,592	-	-	9,592
Financial assets derecognised	(7,799)	(849)	(19,418)	(28,066)
Changes in models/risk parameters	497	(495)	-	2
Exchange differences	141	-	3,376	3,517
At 30 June 2019	29,749	8,106	394,502	432,357

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
At 31 December 2018	RM'000	RM'000	RM'000	RM'000
At 1 January 2018				
- effect of adopting MFRS 9	12,822	1,503	-	14,325
At 1 January 2018, as restated	12,822	1,503	-	14,325
Transferred to Stage 1	1,503	(1,503)	-	-
Transferred to Stage 2	(179)	179	-	-
Transferred to Stage 3	(3,416)	-	3,416	-
Net remeasurement of allowances	(3,845)	586	147,611	144,352
New financial assets originated or purchased	20,864	3,885	-	24,749
Financial assets derecognised	(1,056)	-	-	(1,056)
Changes in models/risk parameters	(2,475)	-	-	(2,475)
Exchange differences	2,942	-	2,257	5,199
At 31 December 2018	27,160	4,650	153,284	185,094

Bank	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
At 30 June 2019	RM'000	RM'000	RM'000	RM'000
At 1 January 2019	25,761	849	153,284	179,894
Transferred to Stage 2	(493)	493	-	-
Net remeasurement of allowances	651	4,307	257,260	262,218
New financial assets originated or purchased	9,592	-	-	9,592
Financial assets derecognised	(7,799)	(849)	(19,418)	(28,066)
Changes in models/risk parameters	1,188	-	-	1,188
Exchange differences	141	-	3,376	3,517
At 30 June 2019	29,041	4,800	394,502	428,343

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A11. Loans, Advances and Financing (cont'd.)

(xii) **Movements in the allowances for impairment losses on loans, advances and financing are as follows (cont'd.):**

At fair value through other comprehensive income (cont'd.)

Bank	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
At 31 December 2018	RM'000	RM'000	RM'000	RM'000
At 1 January 2018				
- effect of adopting MFRS 9	12,300	1,503	-	13,803
At 1 January 2018, as restated	12,300	1,503	-	13,803
Transferred to Stage 1	1,503	(1,503)	-	-
Transferred to Stage 2	(179)	179	-	-
Transferred to Stage 3	(3,416)	-	3,416	-
Net remeasurement of allowances	(1,191)	586	147,611	147,006
New financial assets originated or purchased	19,510	84	-	19,594
Financial assets derecognised	(534)	-	-	(534)
Changes in models/risk parameters	(2,475)	-	-	(2,475)
Exchange differences	243	-	2,257	2,500
At 31 December 2018	25,761	849	153,284	179,894

At amortised cost

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
At 30 June 2019	RM'000	RM'000	RM'000	RM'000
At 1 January 2019	1,654,941	2,518,274	6,076,703	10,249,918
Transferred to Stage 1	426,515	(390,964)	(35,551)	-
Transferred to Stage 2	(42,546)	120,933	(78,387)	-
Transferred to Stage 3	(9,197)	(163,004)	172,201	-
Net remeasurement of allowances	(567,961)	185,140	2,023,686	1,640,865
New financial assets originated or purchased	532,865	229,245	-	762,110
Financial assets derecognised	(182,376)	(268,102)	(654,218)	(1,104,696)
Changes in models/risk parameters	(241,101)	(217,181)	1,683	(456,599)
Amount related to Restricted Investment Account	-	-	(1,075)	(1,075)
Amount written-off	-	-	(791,691)	(791,691)
Exchange differences	518	2,612	14,621	17,751
At 30 June 2019	1,571,658	2,016,953	6,727,972	10,316,583

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A11. Loans, Advances and Financing (cont'd.)

(xii) Movements in the allowances for impairment losses on loans, advances and financing are as follows (cont'd.):

At amortised cost (cont'd.)

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
At 31 December 2018	RM'000	RM'000	RM'000	RM'000
At 1 January 2018				
- as previously stated - MFRS 139				8,260,724
- effect of adopting MFRS 9				2,829,359
At 1 January 2018, as restated	1,543,575	2,938,959	6,607,549	11,090,083
Transferred to Stage 1	945,849	(707,258)	(238,591)	-
Transferred to Stage 2	(90,441)	293,774	(203,333)	-
Transferred to Stage 3	(33,896)	(183,954)	217,850	-
Net remeasurement of allowances	(812,424)	328,459	3,375,978	2,892,013
New financial assets originated or purchased	763,810	491,892	-	1,255,702
Financial assets derecognised	(431,843)	(425,141)	(1,434,518)	(2,291,502)
Changes in models/risk parameters	(124,517)	(67,123)	(724)	(192,364)
Amount related to Restricted Investment Account	-	-	50,553	50,553
Amount written-off	-	-	(2,553,152)	(2,553,152)
Exchange differences	(105,172)	(151,334)	255,091	(1,415)
At 31 December 2018	1,654,941	2,518,274	6,076,703	10,249,918

Bank	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
At 30 June 2019	RM'000	RM'000	RM'000	RM'000
At 1 January 2019	657,197	1,225,026	3,920,974	5,803,197
Transferred to Stage 1	160,470	(140,571)	(19,899)	-
Transferred to Stage 2	3,215	30,861	(34,076)	-
Transferred to Stage 3	(3,398)	(80,532)	83,930	-
Net remeasurement of allowances	(288,881)	64,746	865,593	641,458
New financial assets originated or purchased	296,377	101,357	-	397,734
Financial assets derecognised	(64,636)	(105,256)	(201,809)	(371,701)
Changes in models/risk parameters	(74,650)	(111,803)	-	(186,453)
Amount written-off	-	-	(274,804)	(274,804)
Exchange differences	(15,784)	1,275	14,567	58
At 30 June 2019	669,910	985,103	4,354,476	6,009,489

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A11. Loans, Advances and Financing (cont'd.)

(xii) Movements in the allowances for impairment losses on loans, advances and financing are as follows (cont'd.):

At amortised cost (cont'd.)

Bank	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
At 31 December 2018				
At 1 January 2018				
- as previously stated - MFRS 139				5,837,290
- effect of adopting MFRS 9				1,392,447
At 1 January 2018, as restated	733,695	1,741,729	4,754,313	7,229,737
Transferred to Stage 1	492,559	(411,492)	(81,067)	-
Transferred to Stage 2	(36,211)	185,718	(149,507)	-
Transferred to Stage 3	(27,407)	(78,165)	105,572	-
Net remeasurement of allowances	(398,402)	102,185	2,091,616	1,795,399
New financial assets originated or purchased	273,210	161,544	-	434,754
Financial assets derecognised	(257,135)	(265,438)	(919,985)	(1,442,558)
Changes in models/risk parameters	(43,673)	(78,064)	-	(121,737)
Transferred to subsidiaries, net	(80,972)	(135,982)	(245,789)	(462,743)
Amount written-off	-	-	(1,671,973)	(1,671,973)
Exchange differences	1,533	2,991	37,794	42,318
At 31 December 2018	657,197	1,225,026	3,920,974	5,803,197

A12. Reinsurance/Retakaful Assets and Other Insurance Receivables

	Note	Group	
		30 June 2019 RM'000	31 December 2018 RM'000
Reinsurance/retakaful assets	(i)	3,577,692	3,285,269
Other insurance receivables	(ii)	678,519	514,778
		4,256,211	3,800,047

(i) Reinsurance/retakaful assets	Group	
	30 June 2019 RM'000	31 December 2018 RM'000
Reinsurers' share of:	3,245,842	2,983,564
Life insurance contract liabilities	59,674	49,111
General insurance contract liabilities	3,186,168	2,934,453
Retakaful operators' share of:	343,024	305,975
Family takaful certificate liabilities	92,391	73,802
General takaful certificate liabilities	250,633	232,173
Stage 1 - 12-month ECL	(11,174)	(4,270)
	3,577,692	3,285,269

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A12. Reinsurance/Retakaful Assets and Other Insurance Receivables (cont'd.)

	Group	
	30 June 2019 RM'000	31 December 2018 RM'000
(ii) Other insurance receivables		
Due premium including agents/brokers and co-insurers balances	597,795	262,391
Due from reinsurers and cedants/retakaful operators	99,909	268,559
	<u>697,704</u>	<u>530,950</u>
Allowance for impairment losses	(iii) (19,185)	(16,172)
	<u>678,519</u>	<u>514,778</u>

(iii) Movements in the allowances for impairment losses on reinsurance/retakaful assets and other insurance receivables:

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Group				
At 30 June 2019				RM'000
At 1 January 2019	20,442	-	-	20,442
Net remeasurement of allowances	9,285	-	-	9,285
Exchange differences	632	-	-	632
At 30 June 2019	<u>30,359</u>	<u>-</u>	<u>-</u>	<u>30,359</u>

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Group				
At 31 December 2018				RM'000
At 1 January 2018				16,748
- as previously stated				13,093
- effect of adopting MFRS 9				<u>29,841</u>
At 1 January 2018, as restated	29,841	-	-	29,841
Net remeasurement of allowances	(5,985)	-	-	(5,985)
Exchange differences	(3,414)	-	-	(3,414)
At 31 December 2018	<u>20,442</u>	<u>-</u>	<u>-</u>	<u>20,442</u>

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A13. Other Assets

	Group		Bank	
	30 June 2019 RM'000	31 December 2018 RM'000	30 June 2019 RM'000	31 December 2018 RM'000
Other debtors, net of expected credit losses	5,010,093	6,426,560	3,289,863	5,041,129
Amount due from brokers and clients	3,209,396	1,679,116	-	-
Prepayments and deposits	1,490,275	1,343,267	196,503	196,746
Tax recoverable	329,562	136,131	186,711	-
Foreclosed properties	296,570	288,266	29,418	29,410
	10,335,896	9,873,340	3,702,495	5,267,285

A14. Deposits from Customers

(i) By type of deposit

	Group		Bank	
	30 June 2019 RM'000	31 December 2018 RM'000	30 June 2019 RM'000	31 December 2018 RM'000
Fixed deposits and negotiable instruments of deposits				
- One year or less	322,636,973	312,630,907	121,414,850	123,641,231
- More than one year	8,418,641	6,262,601	2,499,884	1,049,608
	331,055,614	318,893,508	123,914,734	124,690,839
Money market deposits	25,192,404	26,939,821	25,192,404	26,939,821
Savings deposits	74,755,106	72,552,819	27,900,336	27,308,716
Demand deposits	108,252,565	114,346,475	70,389,770	76,220,939
	539,255,689	532,732,623	247,397,244	255,160,315

(ii) By type of customer

	Group		Bank	
	30 June 2019 RM'000	31 December 2018 RM'000	30 June 2019 RM'000	31 December 2018 RM'000
Business enterprises	233,628,031	243,864,537	147,224,353	156,302,192
Individuals	211,760,896	208,707,696	75,032,502	75,316,213
Government and statutory bodies	47,414,338	35,291,078	11,700,618	8,806,390
Others	46,452,424	44,869,312	13,439,771	14,735,520
	539,255,689	532,732,623	247,397,244	255,160,315

(iii) The maturity profile of fixed deposits and negotiable instruments of deposits are as follows:

	Group		Bank	
	30 June 2019 RM'000	31 December 2018 RM'000	30 June 2019 RM'000	31 December 2018 RM'000
Within six months	247,617,449	257,314,133	100,151,973	103,502,412
Six months to one year	75,019,524	55,316,775	21,262,877	20,138,819
One year to three years	7,992,992	5,821,123	2,444,047	984,301
Three years to five years	425,649	441,477	55,837	65,307
	331,055,614	318,893,508	123,914,734	124,690,839

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A15. Deposits and Placements from Financial Institutions

	Group		Bank	
	30 June 2019 RM'000	31 December 2018 RM'000	30 June 2019 RM'000	31 December 2018 RM'000
Licensed banks	41,598,182	39,504,617	52,740,749	51,341,923
Licensed finance companies	46,820	64,257	46,820	64,257
Licensed investment banks	848,648	98,277	848,648	98,277
Other financial institutions	4,241,543	4,183,426	1,762,105	1,436,290
	46,735,193	43,850,577	55,398,322	52,940,747

The maturity profile of deposits and placements from financial institutions are as follows:

	Group		Bank	
	30 June 2019 RM'000	31 December 2018 RM'000	30 June 2019 RM'000	31 December 2018 RM'000
One year or less	43,759,682	41,092,831	54,454,846	52,405,495
More than one year	2,975,511	2,757,746	943,476	535,252
	46,735,193	43,850,577	55,398,322	52,940,747

A16. Financial Liabilities at Fair Value Through Profit or Loss ("FVTPL")

	Group		Bank	
	30 June 2019 RM'000	31 December 2018 RM'000	30 June 2019 RM'000	31 December 2018 RM'000
Structured deposits	168,040	1,640,430	168,040	1,254,743
Borrowings				
Unsecured				
Medium Term Notes				
- More than one year				
Denominated in:				
- USD	7,535,867	6,598,010	7,535,867	6,598,010
- RM	663,617	654,251	663,617	654,251
	8,199,484	7,252,261	8,199,484	7,252,261
Total financial liabilities at fair value through profit or loss	8,367,524	8,892,691	8,367,524	8,507,004

The carrying amount of both structured deposits and borrowings designated at FVTPL of the Group and of the Bank as at 30 June 2019 was RM8,273,775,000 (31 December 2018: RM9,616,975,000 and RM9,231,989,000) respectively. The fair value changes of the financial liabilities at FVTPL that are attributable to the changes in own credit risk are not significant.

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A17. Borrowings, Subordinated Obligations and Capital Securities

	Group		Bank	
	30 June 2019 RM'000	31 December 2018 RM'000	30 June 2019 RM'000	31 December 2018 RM'000
(i) Borrowings				
Secured				
(a) Borrowings				
- Less than one year				
Denominated in:				
- SGD	239,223	684	-	-
- IDR	955,447	1,123,402	-	-
- VND	-	12,493	-	-
	<u>1,194,670</u>	<u>1,136,579</u>	<u>-</u>	<u>-</u>
- More than one year				
Denominated in:				
- SGD	-	236,572	-	-
- IDR	2,317,703	1,628,153	-	-
	<u>2,317,703</u>	<u>1,864,725</u>	<u>-</u>	<u>-</u>
(b) Medium Term Notes				
- Less than one year				
Denominated in:				
- IDR	<u>73,232</u>	-	-	-
- More than one year				
Denominated in:				
- IDR	-	71,515	-	-
	<u>-</u>	<u>71,515</u>	<u>-</u>	<u>-</u>
Total secured borrowings	<u>3,585,605</u>	<u>3,072,819</u>	<u>-</u>	<u>-</u>
Unsecured				
(a) Borrowings				
- Less than one year				
Denominated in:				
- USD	3,099,274	3,159,728	2,822,451	2,346,972
- CNY	605,401	-	605,401	-
- SGD	1,854,656	1,390,760	-	-
- THB	994,915	1,249,281	-	-
- HKD	185,599	77,913	105,971	-
- IDR	264,683	994,104	-	-
- INR	11,996	11,801	-	-
- JPY	-	1,733	-	-
- RM	609,854	411,361	609,854	411,361
	<u>7,626,378</u>	<u>7,296,681</u>	<u>4,143,677</u>	<u>2,758,333</u>
- More than one year				
Denominated in:				
- USD	4,053,931	4,862,217	3,743,531	4,862,217
- JPY	2,106,850	-	2,105,225	-
- CNY	2,323,159	-	2,323,159	-
- IDR	580,335	547,870	-	-
	<u>9,064,275</u>	<u>5,410,087</u>	<u>8,171,915</u>	<u>4,862,217</u>

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A17. Borrowings, Subordinated Obligations and Capital Securities (cont'd.)

	Group		Bank	
	30 June 2019 RM'000	31 December 2018 RM'000	30 June 2019 RM'000	31 December 2018 RM'000
(i) Borrowings (cont'd.)				
Unsecured (cont'd.)				
(b) Medium Term Notes				
- Less than one year				
Denominated in:				
- USD	729,137	509,232	729,137	509,232
- HKD	1,903,221	641,654	1,903,221	641,654
- SGD	686	219	686	219
- JPY	1,256,633	1,879,013	1,256,633	1,879,013
- AUD	76,443	242,059	76,443	242,059
- CNH	882,537	606,377	882,537	606,377
- CHF	39	39	39	39
- CNY	20,634	7,292	20,634	7,292
- RM	118,051	100,967	118,051	100,967
	4,987,381	3,986,852	4,987,381	3,986,852
- More than one year				
Denominated in:				
- USD	5,030,891	4,389,228	5,030,891	4,389,228
- HKD	2,514,347	2,843,328	2,514,347	2,843,328
- JPY	2,074,493	2,503,979	2,074,493	2,503,979
- AUD	319,193	175,344	319,193	175,344
- CNH	866,034	899,073	866,034	899,073
- CHF	424,518	420,088	424,518	420,088
- CNY	-	602,718	-	602,718
	11,229,476	11,833,758	11,229,476	11,833,758
Total unsecured borrowings	32,907,510	28,527,378	28,532,449	23,441,160
Total borrowings	36,493,115	31,600,197	28,532,449	23,441,160
	Group	Bank		
	30 June 2019 RM'000	31 December 2018 RM'000	30 June 2019 RM'000	31 December 2018 RM'000
(ii) Subordinated Obligations				
Unsecured				
- More than one year				
Denominated in:				
- RM	7,095,704	8,186,575	7,095,704	7,076,627
- USD	2,080,128	2,080,683	2,080,128	2,080,683
- IDR	460,239	449,747	-	-
	9,636,071	10,717,005	9,175,832	9,157,310

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A17. Borrowings, Subordinated Obligations and Capital Securities (cont'd.)

	Group		Bank	
	30 June 2019 RM'000	31 December 2018 RM'000	30 June 2019 RM'000	31 December 2018 RM'000
	(iii) Capital Securities			
Unsecured				
- More than one year				
Denominated in:				
- RM	3,550,321	3,531,029	3,550,321	3,531,029
	<u>3,550,321</u>	<u>3,531,029</u>	<u>3,550,321</u>	<u>3,531,029</u>

A18. Insurance/Takaful Contract Liabilities and Other Insurance Payables

Group	Note	30 June 2019 RM'000	31 December 2018 RM'000
Insurance/takaful contract liabilities	(i)	28,755,173	26,176,660
Other insurance payables	(ii)	718,880	676,442
		<u>29,474,053</u>	<u>26,853,102</u>

(i) Insurance/takaful contract liabilities

	Gross contract liabilities RM'000	Reinsurance/ retakaful assets RM'000	Net contract liabilities RM'000
At 30 June 2019			
Life insurance/family takaful	22,938,310	(152,065)	22,786,245
General insurance/general takaful	5,816,863	(3,425,627)	2,391,236
	<u>28,755,173</u>	<u>(3,577,692)</u>	<u>25,177,481</u>
At 31 December 2018			
Life insurance/family takaful	20,779,777	(122,913)	20,656,864
General insurance/general takaful	5,396,883	(3,162,356)	2,234,527
	<u>26,176,660</u>	<u>(3,285,269)</u>	<u>22,891,391</u>

(ii) Other insurance payables

	30 June 2019 RM'000	31 December 2018 RM'000
Due to agents and intermediaries	106,957	136,397
Due to reinsurers and cedants	570,179	492,310
Due to retakaful operators	41,744	47,735
	<u>718,880</u>	<u>676,442</u>

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A19. Other Liabilities

	Note	Group		Bank	
		30 June 2019	31 December 2018	30 June 2019	31 December 2018
		RM'000	RM'000	RM'000	RM'000
Amount due to brokers and clients		4,265,151	3,038,388	-	-
Deposits, other creditors and accruals		10,966,169	11,383,153	9,599,414	6,775,654
Defined benefit pension plans		502,778	474,018	-	-
Provisions for commitments and contingencies		31,796	32,003	27,207	27,416
Allowances for impairment losses on loan commitments and financial guarantee contracts	(i)	353,864	287,436	283,796	229,103
Lease liabilities		1,435,646	272,311	382,325	-
Structured deposits		6,414,825	6,301,362	336,723	308,888
		23,970,229	21,788,671	10,629,465	7,341,061

(i) Movements in the allowances for impairment losses on loan commitments and financial guarantee contracts are as follows:

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
At 30 June 2019	RM'000	RM'000	RM'000	RM'000
At 1 January 2019	84,477	52,676	150,283	287,436
Transferred to Stage 1	3,044	(2,916)	(128)	-
Transferred to Stage 2	(999)	1,448	(449)	-
Transferred to Stage 3	(30)	(411)	441	-
Net remeasurement of allowances	(10,572)	(16,685)	80,829	53,572
New financial assets originated or purchased	19,615	14,967	-	34,582
Financial assets derecognised	(17,192)	(12,837)	(2,223)	(32,252)
Changes in models/risk parameters	364	(2)	-	362
Exchange differences	10,647	345	(828)	10,164
At 30 June 2019	89,354	36,585	227,925	353,864

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
At 31 December 2018	RM'000	RM'000	RM'000	RM'000
At 1 January 2018				
- effect of adopting MFRS 9	90,574	75,163	74,027	239,764
At 1 January 2018, as restated	90,574	75,163	74,027	239,764
Transferred to Stage 1	8,664	(8,383)	(281)	-
Transferred to Stage 2	(594)	24,579	(23,985)	-
Transferred to Stage 3	(117)	(33)	150	-
Net remeasurement of allowances	12,188	(21,314)	(3,158)	(12,284)
New financial assets originated or purchased	29,707	23,756	118,811	172,274
Financial assets derecognised	(53,040)	(40,669)	(18,453)	(112,162)
Changes in models/risk parameters	(1,489)	(779)	-	(2,268)
Exchange differences	(1,416)	356	3,172	2,112
At 31 December 2018	84,477	52,676	150,283	287,436

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A19. Other Liabilities (cont'd.)

(i) **Movements in the allowances for impairment losses on loan commitments and financial guarantee contracts are as follows (cont'd.):**

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Bank				
At 30 June 2019				
At 1 January 2019	40,038	43,868	145,197	229,103
Transferred to Stage 1	2,557	(2,429)	(128)	-
Transferred to Stage 2	(828)	829	(1)	-
Transferred to Stage 3	(30)	(309)	339	-
Net remeasurement of allowances	1,675	(18,679)	65,183	48,179
New financial assets originated or purchased	15,200	12,511	-	27,711
Financial assets derecognised	(10,979)	(9,028)	(2,147)	(22,154)
Changes in models/risk parameters	26	-	-	26
Exchange differences	36	58	837	931
At 30 June 2019	47,695	26,821	209,280	283,796
	Stage 1	Stage 2	Stage 3	
	12-month	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
Bank				
At 31 December 2018				
At 1 January 2018				
- effect of adopting MFRS 9	53,498	66,506	67,083	187,087
At 1 January 2018, as restated	53,498	66,506	67,083	187,087
Transferred to Stage 1	7,798	(7,654)	(144)	-
Transferred to Stage 2	(517)	24,053	(23,536)	-
Transferred to Stage 3	(117)	(33)	150	-
Net remeasurement of allowances	(1,596)	(21,633)	(1,847)	(25,076)
New financial assets originated or purchased	23,059	19,868	118,542	161,469
Financial assets derecognised	(41,625)	(36,315)	(16,110)	(94,050)
Changes in models/risk parameters	24	-	-	24
Transfer to subsidiary	(1,522)	(654)	-	(2,176)
Exchange differences	1,036	(270)	1,059	1,825
At 31 December 2018	40,038	43,868	145,197	229,103

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A20. Other Reserves

The breakdown and movement of other reserves are as follows:

<u>Group</u>	<===== Non-Distributable =====>				
	Capital Reserve RM'000	Revaluation Reserve RM'000	Defined Benefit Reserve RM'000	Net Investment Hedge, Cash Flow Hedge and Fair Value Hedge Reserve RM'000	Total Other Reserves RM'000
At 1 January 2019	13,557	(2,712)	16,503	(367,100)	(339,752)
Other comprehensive income	-	-	3,197	6,178	9,375
Defined benefit plan actuarial gain	-	-	3,197	-	3,197
Net loss on net investment hedge	-	-	-	(57)	(57)
Net loss on cash flow hedge	-	-	-	(151)	(151)
Net gain on fair value hedge	-	-	-	6,386	6,386
Total comprehensive income for the period	-	-	3,197	6,178	9,375
At 30 June 2019	13,557	(2,712)	19,700	(360,922)	(330,377)

<u>Group</u>	<===== Non-Distributable =====>				
	Capital Reserve RM'000	Revaluation Reserve RM'000	Defined Benefit Reserve RM'000	Net Investment Hedge and Cash Flow Hedge Reserve RM'000	Total Other Reserves RM'000
At 1 January 2018	13,557	(2,428)	(41,302)	(374,996)	(405,169)
Other comprehensive income	-	-	3,439	28,230	31,669
Defined benefit plan actuarial gain	-	-	3,439	-	3,439
Net gain on net investment hedge	-	-	-	26,470	26,470
Net gain on cash flow hedge	-	-	-	1,760	1,760
Total comprehensive income for the period	-	-	3,439	28,230	31,669
At 30 June 2018	13,557	(2,428)	(37,863)	(346,766)	(373,500)

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A21. Interest Income

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
Loans, advances and financing	4,353,073	4,192,376	8,746,048	8,231,738
Money at call and deposits and placements with financial institutions	195,934	206,557	393,144	387,845
Financial assets purchased under resale agreements	44,003	61,918	86,611	109,702
Financial assets at FVTPL	264,304	264,038	535,275	527,287
Financial investments at fair value through other comprehensive income	898,777	767,483	1,753,630	1,499,077
Financial investments at amortised cost	230,647	173,286	455,685	335,544
	5,986,738	5,665,658	11,970,393	11,091,193
Accretion of discounts, net	32,537	64,266	83,353	157,183
	6,019,275	5,729,924	12,053,746	11,248,376

Bank	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
Loans, advances and financing	2,640,115	3,127,872	5,313,623	6,108,142
Money at call and deposits and placements with financial institutions	284,642	212,374	611,993	400,447
Financial assets purchased under resale agreements	20,753	47,980	42,101	67,859
Financial assets at FVTPL	51,678	66,605	115,261	130,858
Financial investments at fair value through other comprehensive income	723,619	655,993	1,414,120	1,286,730
Financial investments at amortised cost	224,955	189,495	447,927	371,234
	3,945,762	4,300,319	7,945,025	8,365,270
Accretion of discounts, net	75,448	87,074	165,248	206,233
	4,021,210	4,387,393	8,110,273	8,571,503

Included in interest income for the six-month financial period ended 30 June 2019 was interest on impaired assets amounting to approximately RM210,248,000 (30 June 2018: RM198,104,000) for the Group and RM150,663,000 (30 June 2018: RM156,570,000) for the Bank.

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A22. Interest Expense

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June	30 June	30 June	30 June
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Deposits and placements from financial institutions	294,304	314,476	599,453	539,069
Deposits from customers	2,105,020	1,782,342	4,156,143	3,429,743
Loans sold to Cagamas	16,143	16,143	32,109	32,109
Obligations on financial assets sold under repurchase agreements	45,486	30,496	133,462	55,620
Borrowings	336,728	262,375	641,232	501,009
Subordinated notes	138,319	139,104	279,577	282,292
Subordinated bonds	2,191	8,527	5,535	16,968
Capital securities	56,148	98,078	110,771	195,190
Structured deposits	39,911	27,674	75,624	60,845
Financial liabilities at fair value through profit or loss	87,463	90,718	168,738	155,601
	3,121,713	2,769,933	6,202,644	5,268,446

Bank	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June	30 June	30 June	30 June
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Deposits and placements from financial institutions	346,954	296,746	703,458	506,949
Deposits from customers	1,278,547	1,400,477	2,563,150	2,637,903
Loans sold to Cagamas	16,143	16,143	32,109	32,109
Obligations on financial assets sold under repurchase agreements	71,392	30,496	185,896	55,620
Borrowings	188,921	130,412	359,590	255,712
Subordinated notes	113,707	105,189	230,505	208,348
Capital securities	56,148	98,086	110,771	195,190
Structured deposits	3,611	27,655	5,447	60,826
Financial liabilities at fair value through profit or loss	87,463	90,718	168,738	155,601
	2,162,886	2,195,922	4,359,664	4,108,258

A23. Net Earned Insurance Premiums

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June	30 June	30 June	30 June
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Gross earned premiums	1,911,198	1,733,975	3,796,754	3,566,140
Premiums ceded to reinsurers	(287,355)	(243,949)	(546,365)	(564,733)
	1,623,843	1,490,026	3,250,389	3,001,407

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A24. Dividends from Subsidiaries and Associates

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Bank	RM'000	RM'000	RM'000	RM'000
Gross dividend income from: Subsidiaries	<u>1,735,163</u>	1,576,610	<u>1,735,163</u>	1,576,610
	1,735,163	1,576,610	1,735,163	1,576,610

A25. Other Operating Income

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Group	RM'000	RM'000	RM'000	RM'000
(a) Fee income:				
Commission	328,343	315,703	629,357	644,760
Service charges and fees	338,819	369,992	671,185	679,359
Underwriting fees	9,765	12,001	29,878	29,064
Brokerage income	65,646	96,536	146,731	222,005
Fees on loans, advances and financing	62,851	62,434	101,576	117,699
	<u>805,424</u>	<u>856,666</u>	<u>1,578,727</u>	<u>1,692,887</u>
(b) Investment income:				
Net gain/(loss) on disposal of financial assets at FVTPL	160,805	(57,524)	198,521	(25,118)
Net gain on disposal of financial investments at fair value through other comprehensive income	246,402	7,103	395,454	62,027
Net gain on redemption of financial investments at amortised cost	-	-	-	599
Net loss on disposal of deemed control entity	-	(15,409)	-	(15,409)
Net (loss)/gain on dilution of interest in associates	-	(12)	1,836	1,264
	<u>407,207</u>	<u>(65,842)</u>	<u>595,811</u>	<u>23,363</u>
(c) Gross dividend income from: Financial investments portfolio	30,979	41,383	48,743	61,556
(d) Unrealised gain/(loss) on revaluation of: Financial assets designated upon initial recognition at FVTPL	451,525	(176,487)	890,502	(269,996)
Financial investments at FVTPL	22,952	(208,289)	150,728	(249,748)
Financial liabilities at FVTPL	(363,482)	111,529	(818,734)	387,188
Derivatives	35,879	(64,551)	196,898	(210,777)
Loans, advances and financing at FVTPL	1,315	-	(561)	-
	<u>148,189</u>	<u>(337,798)</u>	<u>418,833</u>	<u>(343,333)</u>
(e) Other income:				
Foreign exchange gain, net	221,028	267,563	432,441	398,673
Realised gain on derivatives	265,810	181,923	403,614	268,695
Rental income	9,369	11,961	18,545	22,882
(Loss)/gain on disposal of property, plant and equipment	(405)	8,679	2,079	68,642
(Loss)/gain on disposal of foreclosed properties	(893)	(1,129)	1,250	(2,300)
Others	93,124	44,594	157,687	118,511
	<u>588,033</u>	<u>513,591</u>	<u>1,015,616</u>	<u>875,103</u>
Total other operating income	<u>1,979,832</u>	<u>1,008,000</u>	<u>3,657,730</u>	<u>2,309,576</u>

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A25. Other Operating Income (cont'd.)

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
Bank				
(a) Fee income:				
Commission	223,544	284,946	437,951	585,033
Service charges and fees	224,167	278,415	439,763	535,270
Underwriting fees	2,483	3,738	4,851	10,946
Fees on loans, advances and financing	34,649	41,311	49,410	72,689
	484,843	608,410	931,975	1,203,938
(b) Investment income:				
Net gain on disposal of financial assets at FVTPL	60,156	11,738	121,096	66,997
Net gain on disposal of financial investments at fair value through other comprehensive income	221,526	2,174	359,977	54,055
Net gain on redemption of financial investments at amortised cost	-	-	-	599
Net loss on disposal of deemed control entity	(1,222)	(27,902)	(1,222)	(27,902)
Net gain on dilution of interest in associates	-	-	1,696	-
	280,460	(13,990)	481,547	93,749
(c) Gross dividend income from:				
Financial investments portfolio	3,992	3,192	3,992	3,217
(d) Unrealised (loss)/gain on revaluation of:				
Financial investments at FVTPL	(1,265)	(50,701)	536	21,386
Financial liabilities at FVTPL	(363,482)	111,529	(818,734)	387,188
Derivatives	84,103	(70,325)	275,268	(259,573)
Loans, advances and financing at FVTPL	1,315	-	(561)	-
	(279,329)	(9,497)	(543,491)	149,001
(e) Other income:				
Foreign exchange gain, net	160,345	308,439	388,165	473,230
Realised gain on derivatives	281,345	128,964	401,656	192,762
Rental income	7,211	7,925	14,474	16,129
(Loss)/gain on disposal of property, plant and equipment	(372)	3,062	23	58,352
Others	27,779	3,775	41,361	7,474
	476,308	452,165	845,679	747,947
Total other operating income	966,274	1,040,280	1,719,702	2,197,852

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A26. Net Insurance Benefits and Claims Incurred, Net Fee and Commission Expenses, Change in Expense Liabilities and Taxation of Life and Takaful Fund

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
Gross benefits and claims paid	965,614	827,018	1,950,275	1,763,538
Claims ceded to reinsurers	(106,969)	(80,619)	(228,430)	(227,347)
Gross change to contract liabilities	1,242,939	275,081	2,163,173	738,496
Change in contract liabilities ceded to reinsurers	(225,504)	(38,673)	(191,285)	(18,568)
Net insurance benefits and claims incurred	1,876,080	982,807	3,693,733	2,256,119
Net fee and commission expenses	60,841	68,259	125,804	132,108
Change in expense liabilities	35,632	(29,469)	9,156	(6,171)
Taxation of life and takaful fund	41,864	(21,881)	80,249	(17,903)
Net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	138,337	16,909	215,209	108,034
Total net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	2,014,417	999,716	3,908,942	2,364,153

A27. Overhead Expenses

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
(a) Personnel expenses				
Salaries, allowances and bonuses	1,267,923	1,203,785	2,565,776	2,407,363
Social security cost	10,750	10,892	21,721	21,990
Pension costs - defined contribution plan	154,586	141,235	305,310	285,286
ESGP/ESS expenses	9,393	198	18,681	3,479
Other staff related expenses	213,967	194,556	432,068	423,196
	1,656,619	1,550,666	3,343,556	3,141,314
(b) Establishment costs				
Depreciation of property, plant and equipment	73,171	96,261	148,737	198,613
Depreciation of right-of-use assets	93,509	-	182,007	-
Amortisation of intangible assets	63,448	59,717	120,054	119,420
Rental of leasehold land and premises	16,411	83,819	37,075	171,525
Repairs and maintenance of property, plant and equipment	43,444	38,085	87,604	76,803
Information technology expenses	130,861	126,937	259,608	285,817
Finance cost on lease liabilities	15,686	-	31,683	-
Fair value adjustments on investments properties	35	29	69	(377)
Others	12,175	11,276	23,262	21,566
	448,740	416,124	890,099	873,367
(c) Marketing expenses				
Advertisement and publicity	54,809	37,955	113,360	103,262
Others	96,253	84,510	178,447	162,022
	151,062	122,465	291,807	265,284

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A27. Overhead Expenses (cont'd.)

Group (cont'd.)	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
(d) Administration and general expenses				
Fees and brokerage	249,067	256,800	488,975	496,952
Administrative expenses	142,631	151,959	284,339	285,503
General expenses	169,618	179,193	323,956	380,570
Others	3,982	1,637	6,595	3,398
	565,298	589,589	1,103,865	1,166,423
Total overhead expenses	2,821,719	2,678,844	5,629,327	5,446,388
Cost to income ratio ("CIR")¹	47.9%	46.0%	47.9%	46.7%

¹ Cost to income ratio ("CIR") is computed using the total cost over the net operating income. Total cost of the Group is the total overhead expenses, excluding amortisation of intangible assets for PT Bank Maybank Indonesia Tbk and Maybank Kim Eng Holdings Limited. Income refers to net operating income amount as stated on the face of income statement.

Bank	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
(a) Personnel expenses				
Salaries, allowances and bonuses	649,657	752,592	1,307,205	1,504,812
Social security cost	5,514	5,251	11,482	10,796
Pension costs - defined contribution plan	98,362	109,361	196,955	223,482
ESGP/ESS expenses	5,332	-	10,722	2,401
Other staff related expenses	106,611	111,642	210,227	245,878
	865,476	978,846	1,736,591	1,987,369
(b) Establishment costs				
Depreciation of property, plant and equipment	30,137	41,627	61,997	83,951
Depreciation of right-of-use assets	26,095	-	53,578	-
Amortisation of intangible assets	12,353	19,965	23,749	40,254
Rental of leasehold land and premises	1,339	35,724	4,200	71,254
Repairs and maintenance of property, plant and equipment	20,825	21,713	45,890	45,531
Information technology expenses	191,846	217,605	378,318	419,649
Finance cost on lease liabilities	3,771	-	7,606	-
Others	992	2,076	1,855	3,693
	287,358	338,710	577,193	664,332
(c) Marketing expenses				
Advertisement and publicity	13,689	18,173	43,617	58,607
Others	53,722	54,831	100,604	107,556
	67,411	73,004	144,221	166,163
(d) Administration and general expenses				
Fees and brokerage	149,715	167,479	288,237	333,638
Administrative expenses	45,433	67,428	96,978	127,425
General expenses	64,091	80,243	113,983	172,799
Others	3,714	1,512	4,082	3,228
	262,953	316,662	503,280	637,090
(e) Overhead expenses allocated to subsidiaries	(302,650)	(292,851)	(665,941)	(590,952)
Total overhead expenses	1,180,548	1,414,371	2,295,344	2,864,002
Cost to income ratio ("CIR")²	25.9%	29.4%	31.9%	34.8%

² Cost to income ratio ("CIR") is computed using the total cost over the net operating income.

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A28. Allowances for Impairment Losses on Loans, Advances, Financing and Other Debts, net

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
Allowances for/(writeback of) impairment losses on loans, advances and financing:				
- Stage 1 - 12-month ECL, net	175,718	(146,855)	(463,417)	(222,090)
- Stage 2 - Lifetime ECL not credit impaired, net	(50,032)	56,765	(82,492)	193,233
- Stage 3 - Lifetime ECL credit impaired, net	348,846	736,051	1,687,599	1,225,437
Bad debts and financing written-off	17,859	25,362	59,020	46,880
Bad debts and financing recovered	(104,859)	(91,554)	(211,424)	(161,106)
Allowances for impairment losses on other debts	4,112	2,380	6,352	9,105
	391,644	582,149	995,638	1,091,459

Bank	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
Allowances for/(writeback of) impairment losses on loans, advances and financing:				
- Stage 1 - 12-month ECL, net	174,481	(51,078)	(122,236)	(187,253)
- Stage 2 - Lifetime ECL not credit impaired, net	(85,910)	(158,576)	(62,694)	(34,450)
- Stage 3 - Lifetime ECL credit impaired, net	129,491	644,070	964,662	735,927
Bad debts and financing written-off	6,604	21,630	26,372	37,770
Bad debts and financing recovered	(43,657)	(66,467)	(91,344)	(111,294)
(Writeback of)/allowances for impairment losses on other debts	(624)	1,133	12,444	1,864
	180,385	390,712	727,204	442,564

A29. Allowances for/(writeback of) Impairment Losses on Financial Investments, net

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
Financial investments at fair value through other comprehensive income				
- Stage 1 - 12-month ECL, net	2,535	29,214	1,658	11,727
- Stage 2 - Lifetime ECL not credit impaired, net	(160)	(18,414)	(278)	(18,805)
- Stage 3 - Lifetime ECL credit impaired, net	11,033	(8,316)	3,229	16,940
Net	13,408	2,484	4,609	9,862
Financial investments at amortised cost				
- Stage 1 - 12-month ECL, net	1,338	714	1,423	(20,503)
- Stage 2 - Lifetime ECL not credit impaired, net	8,277	(9,351)	1,176	(10,361)
- Stage 3 - Lifetime ECL credit impaired, net	889	(19)	41,313	(38)
Net	10,504	(8,656)	43,912	(30,902)
	23,912	(6,172)	48,521	(21,040)

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A29. Allowances for/(writeback of) Impairment Losses on Financial Investments, net (cont'd.)

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Bank	RM'000	RM'000	RM'000	RM'000
Financial investments at fair value through other comprehensive income				
- Stage 1 - 12-month ECL, net	626	27,816	(996)	9,027
- Stage 2 - Lifetime ECL not credit impaired, net	63	(18,132)	(203)	(18,456)
- Stage 3 - Lifetime ECL credit impaired, net	3,973	(8,327)	3,383	(5,119)
Net	<u>4,662</u>	<u>1,357</u>	<u>2,184</u>	<u>(14,548)</u>
Financial investments at amortised cost				
- Stage 1 - 12-month ECL, net	1,558	1,649	1,487	(15,690)
- Stage 2 - Lifetime ECL not credit impaired, net	8,284	(9,410)	3,225	(9,740)
- Stage 3 - Lifetime ECL credit impaired, net	889	(19)	41,313	(38)
Net	<u>10,731</u>	<u>(7,780)</u>	<u>46,025</u>	<u>(25,468)</u>
	<u>15,393</u>	<u>(6,423)</u>	<u>48,209</u>	<u>(40,016)</u>

A30. Allowances for/(writeback of) Impairment Losses on Other Financial Assets, net

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Group	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds				
- Stage 1 - 12-month ECL, net	(16,270)	6,379	(9,620)	6,049
Net	<u>(16,270)</u>	<u>6,379</u>	<u>(9,620)</u>	<u>6,049</u>
Deposits and placements with financial institutions				
- Stage 1 - 12-month ECL, net	48,459	(7,623)	48,893	(8,464)
- Stage 2 - Lifetime ECL not credit impaired, net	-	(7,801)	-	313
Net	<u>48,459</u>	<u>(15,424)</u>	<u>48,893</u>	<u>(8,151)</u>
Financial assets purchased under resale agreements				
- Stage 1 - 12-month ECL, net	(1,604)	(4,076)	(1,037)	860
Net	<u>(1,604)</u>	<u>(4,076)</u>	<u>(1,037)</u>	<u>860</u>
Other assets				
- Stage 1 - 12-month ECL, net	(1,302)	1,202	(2,378)	1,249
- Stage 2 - Lifetime ECL not credit impaired	37	-	(45)	-
- Stage 3 - Lifetime ECL credit impaired	(191)	-	365	-
Net	<u>(1,456)</u>	<u>1,202</u>	<u>(2,058)</u>	<u>1,249</u>
Reinsurance/retakaful assets and other insurance receivables				
- Stage 1 - 12-month ECL, net	7,614	(1,559)	9,285	(7,118)
Net	<u>7,614</u>	<u>(1,559)</u>	<u>9,285</u>	<u>(7,118)</u>
Statutory deposit with central banks				
- Stage 1 - 12-month ECL, net	-	37	-	37
Net	<u>-</u>	<u>37</u>	<u>-</u>	<u>37</u>
	<u>36,743</u>	<u>(13,441)</u>	<u>45,463</u>	<u>(7,074)</u>

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A30. Allowances for/(writeback of) Impairment Losses on Other Financial Assets, net (cont'd.)

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
Bank				
Cash and short-term funds				
- Stage 1 - 12-month ECL, net	2,608	4,630	(8,215)	5,300
Net	<u>2,608</u>	<u>4,630</u>	<u>(8,215)</u>	<u>5,300</u>
Deposits and placements with financial institutions				
- Stage 1 - 12-month ECL, net	29,546	(9,039)	29,577	(8,003)
- Stage 2 - Lifetime ECL not credit impaired, net	-	(7,775)	-	313
Net	<u>29,546</u>	<u>(16,814)</u>	<u>29,577</u>	<u>(7,690)</u>
Financial assets purchased under resale agreements				
- Stage 1 - 12-month ECL, net	(1,572)	-	(1,205)	-
Net	<u>(1,572)</u>	<u>-</u>	<u>(1,205)</u>	<u>-</u>
Other assets				
- Stage 1 - 12-month ECL, net	(870)	-	(2,790)	-
Net	<u>(870)</u>	<u>-</u>	<u>(2,790)</u>	<u>-</u>
	<u>29,712</u>	<u>(12,184)</u>	<u>17,367</u>	<u>(2,390)</u>

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A31. Segment Information

By business segments

The Group's operating segments are Group Community Financial Services, Group Global Banking and Group Insurance and Takaful. The Group determines and presents operating segments based on information provided to the Board and senior management of the Group.

The Group is organised into three (3) operating segments based on services and products available within the Group as follows:

(a) Group Community Financial Services ("CFS")

(i) Consumer Banking

Consumer Banking comprises the full range of products and services offered to individuals in the region, which includes savings and fixed deposits, remittance services, current accounts, consumer loans such as housing loans and personal loans, hire purchases, unit trusts, bancassurance products and credit cards.

(ii) Small, Medium Enterprise ("SME") Banking

SME Banking comprises the full range of products and services offered to small and medium enterprises in the region. The products and services offered includes long-term loans such as project financing, short-term credit such as overdrafts and trade financing, and fee-based services such as cash management and custodian services.

(iii) Business Banking

Business Banking comprises the full range of products and services offered to commercial enterprises in the region. The products and services offered includes long-term loans such as project financing, short-term credit such as overdrafts and trade financing, and fee-based services such as cash management and custodian services.

(b) Group Global Banking ("GB")

(i) Group Corporate Banking and Global Markets

Group Corporate Banking and Global Markets comprise of Corporate Banking and Global Markets business.

Corporate Banking comprises the full range of products and services offered to business customers in the region, ranging from large corporate and the public sector. The products and services offered includes long-term loans such as project financing, short-term credit such as overdrafts and trade financing, and fee-based services such as cash management, trustee services and custodian services.

Global Markets comprise the full range of products and services relating to treasury activities and services, which includes foreign exchange, money market, derivatives and trading of capital market.

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A31. Segment Information (cont'd.)

By business segments (cont'd.)

(b) Group Global Banking ("GB") (cont'd.)

(ii) Group Investment Banking (Maybank IB and Maybank Kim Eng)

Investment Banking comprises the investment banking and securities broking business. This segment focuses on business needs of mainly large corporate customers and financial institutions. The products and services offered to customers include corporate advisory services, bond issuance, equity issuance, syndicated acquisition advisory services, debt restructuring advisory services, and share and futures dealings.

(iii) Group Asset Management

Asset Management comprises the asset and fund management services, providing a diverse range of Conventional and Islamic investment solutions to retail, corporate and institutional clients.

(c) Group Insurance and Takaful

Insurance and Takaful comprise the business of underwriting all classes of general and life insurance businesses, offshore investment life insurance business, general takaful and family takaful businesses.

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A31. Segment Information (cont'd.)

By business segments (cont'd.)

	<===== Business Segments =====>						Total RM'000
	<===== Group Global Banking =====>						
Six Months Ended 30 June 2019	Group Community Financial Services RM'000	Group Corporate Banking & Global Markets RM'000	Group Investment Banking RM'000	Group Asset Management RM'000	Group Insurance and Takaful RM'000	Head Office and Others RM'000	
Net interest income and income from IBS operations							
- External	5,203,459	2,736,666	165,659	6,799	615,479	22,598	8,750,660
- Inter-segment	-	-	2,121	1,321	19,169	(22,611)	-
	<u>5,203,459</u>	<u>2,736,666</u>	<u>167,780</u>	<u>8,120</u>	<u>634,648</u>	<u>(13)</u>	<u>8,750,660</u>
Net interest income and income from IBS operations	5,203,459	2,736,666	167,780	8,120	634,648	(13)	8,750,660
Net earned insurance premiums	-	-	-	-	3,250,389	-	3,250,389
Other operating income	1,448,844	1,226,074	358,856	110,326	1,103,769	(590,139)	3,657,730
Total operating income	<u>6,652,303</u>	<u>3,962,740</u>	<u>526,636</u>	<u>118,446</u>	<u>4,988,806</u>	<u>(590,152)</u>	<u>15,658,779</u>
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	-	-	-	-	(4,052,636)	143,694	(3,908,942)
Net operating income	<u>6,652,303</u>	<u>3,962,740</u>	<u>526,636</u>	<u>118,446</u>	<u>936,170</u>	<u>(446,458)</u>	<u>11,749,837</u>
Overhead expenses	<u>(3,650,770)</u>	<u>(916,130)</u>	<u>(511,337)</u>	<u>(89,218)</u>	<u>(461,872)</u>	<u>-</u>	<u>(5,629,327)</u>
Operating profit/(loss) before impairment losses	<u>3,001,533</u>	<u>3,046,610</u>	<u>15,299</u>	<u>29,228</u>	<u>474,298</u>	<u>(446,458)</u>	<u>6,120,510</u>
Writeback of/(allowances for) impairment losses on loans, advances, financing and other debts, net	145,835	(1,134,847)	(38)	2	(6,590)	-	(995,638)
Writeback of/(allowances for) impairment losses on financial investments, net	301	(47,682)	(117)	-	(1,023)	-	(48,521)
(Allowances for)/writeback of impairment losses on other financial assets, net	(325)	(20,515)	(777)	17	(9,243)	(14,620)	(45,463)
Operating profit/(loss)	<u>3,147,344</u>	<u>1,843,566</u>	<u>14,367</u>	<u>29,247</u>	<u>457,442</u>	<u>(461,078)</u>	<u>5,030,888</u>
Share of profits in associates and joint ventures	-	70,554	577	-	-	-	71,131
Profit/(loss) before taxation and zakat	<u>3,147,344</u>	<u>1,914,120</u>	<u>14,944</u>	<u>29,247</u>	<u>457,442</u>	<u>(461,078)</u>	<u>5,102,019</u>
Taxation and zakat							<u>(1,239,121)</u>
Profit after taxation and zakat							<u>3,862,898</u>
Non-controlling interests							<u>(112,763)</u>
Profit for the period - attributable to equity holders of the Bank							<u>3,750,135</u>

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A31. Segment Information (cont'd.)

By business segments (cont'd.)

	<===== Business Segments =====>						Total RM'000
	<===== Group Global Banking =====>						
	Group Community Financial Services RM'000	Group Corporate Banking & Global Markets RM'000	Group Investment Banking RM'000	Group Asset Management RM'000	Group Insurance and Takaful RM'000	Head Office and Others RM'000	
Six Months Ended 30 June 2019							
Included in other operating income are:							
Fee income:							
Commission	589,894	74,513	19,069	8,111	-	(62,230)	629,357
Service charges and fees	446,294	155,411	93,659	48,974	404	(73,557)	671,185
Underwriting fees	-	4,851	25,027	-	-	-	29,878
Brokerage income	-	-	146,731	-	-	-	146,731
Fees on loans, advances and financing	41,223	58,164	1,718	-	262	209	101,576
Fee income from IBS operations	130,967	68,631	27,063	-	-	(28,205)	198,456
Included in overhead expenses are:							
Depreciation of property, plant and equipment	(93,042)	(24,099)	(23,846)	(436)	(7,314)	-	(148,737)
Depreciation of right-of-use assets	(121,760)	(29,500)	(21,211)	(1,097)	(8,439)	-	(182,007)
Amortisation of intangible assets	(76,721)	(22,960)	(9,098)	(216)	(11,059)	-	(120,054)

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A31. Segment Information (cont'd.)

By business segments (cont'd.)

	<===== Business Segments =====>						Total RM'000
	<===== Group Global Banking =====>						
Six Months Ended 30 June 2018	Group Community Financial Services RM'000	Group Corporate Banking & Global Markets RM'000	Group Investment Banking RM'000	Group Asset Management RM'000	Group Insurance and Takaful RM'000	Head Office and Others RM'000	
Net interest income and income from IBS operations							
- External	5,246,911	2,661,308	207,079	3,970	544,382	24,427	8,688,077
- Inter-segment	-	-	(5,776)	1,064	14,653	(9,941)	-
	<u>5,246,911</u>	<u>2,661,308</u>	<u>201,303</u>	<u>5,034</u>	<u>559,035</u>	<u>14,486</u>	<u>8,688,077</u>
Net interest income and income from IBS operations	5,246,911	2,661,308	201,303	5,034	559,035	14,486	8,688,077
Net earned insurance premiums	-	-	-	-	3,001,407	-	3,001,407
Other operating income	1,432,531	1,170,130	510,206	40,222	(441,747)	(401,766)	2,309,576
Total operating income	<u>6,679,442</u>	<u>3,831,438</u>	<u>711,509</u>	<u>45,256</u>	<u>3,118,695</u>	<u>(387,280)</u>	<u>13,999,060</u>
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	-	-	-	-	(2,486,412)	122,259	(2,364,153)
Net operating income	<u>6,679,442</u>	<u>3,831,438</u>	<u>711,509</u>	<u>45,256</u>	<u>632,283</u>	<u>(265,021)</u>	<u>11,634,907</u>
Overhead expenses	(3,493,309)	(985,204)	(514,793)	(57,708)	(395,374)	-	(5,446,388)
Operating profit/(loss) before impairment losses (Allowances for)/writeback of impairment losses on loans, advances, financing and other debts, net	<u>3,186,133</u>	<u>2,846,234</u>	<u>196,716</u>	<u>(12,452)</u>	<u>236,909</u>	<u>(265,021)</u>	<u>6,188,519</u>
Writeback of/(allowances for) impairment losses on financial investments, net	(180,742)	(924,421)	12,378	-	1,326	-	(1,091,459)
Writeback of/(allowances for) impairment losses on other financial assets, net	3	41,514	(128)	(20,373)	24	-	21,040
Operating profit/(loss)	<u>296</u>	<u>1,618</u>	<u>(1,503)</u>	<u>(8)</u>	<u>6,671</u>	<u>-</u>	<u>7,074</u>
Share of profits in associates and joint ventures	3,005,690	1,964,945	207,463	(32,833)	244,930	(265,021)	5,125,174
Profit/(loss) before taxation and zakat	<u>-</u>	<u>39,997</u>	<u>1,070</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,067</u>
Taxation and zakat	3,005,690	2,004,942	208,533	(32,833)	244,930	(265,021)	(1,271,823)
Profit after taxation and zakat							<u>3,894,418</u>
Non-controlling interests							(64,369)
Profit for the period - attributable to equity holders of the Bank							<u>3,830,049</u>

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A31. Segment Information (cont'd.)

By business segments (cont'd.)

Six Months Ended 30 June 2018	<===== Business Segments =====>						Head Office and Others RM'000	Total RM'000
	Group Community Financial Services RM'000	Group Corporate Banking & Global Markets RM'000	Group Investment Banking RM'000	Group Asset Management RM'000	Group Insurance and Takaful RM'000	Group Global Banking =====		
Included in other operating income are:								
Fee income:								
Commission	557,073	82,332	41,652	2,718	-	(39,015)	644,760	
Service charges and fees	436,740	218,598	86,282	36,476	773	(99,510)	679,359	
Underwriting fees	-	10,952	18,117	-	-	(5)	29,064	
Brokerage income	-	-	222,005	-	-	-	222,005	
Fees on loans, advances and financing	58,409	57,806	-	-	(226)	1,710	117,699	
Fee income from IBS operations	131,946	54,012	29,182	-	-	(24,061)	191,079	
Included in overhead expenses are:								
Depreciation of property, plant and equipment	(123,476)	(34,464)	(30,550)	(481)	(9,642)	-	(198,613)	
Amortisation of intangible assets	(66,298)	(20,647)	(20,296)	(410)	(11,769)	-	(119,420)	

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A32. Carrying Amount of Revalued Assets

The Group's and the Bank's property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. There was no change in the valuation of property and equipment that were brought forward from the previous audited annual financial statements for the financial year ended 31 December 2018.

A33. Subsequent Events

There were no material events subsequent to the reporting date, other than as disclosed in Note A8(ii) and B6.

A34. Changes in the Composition of the Group

There were no significant changes to the composition of the Group during the financial half year ended 30 June 2019.

A35. Commitments and Contingencies

In the normal course of business, the Group and the Bank make various commitments and incur certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions.

The risk-weighted exposures of the Group and of the Bank as at the following reporting dates are as follows:

Group	As at 30 June 2019			As at 31 December 2018		
	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000
<u>Contingent liabilities</u>						
Direct credit substitutes	11,982,816	9,850,238	6,110,333	11,317,594	10,576,726	6,071,968
Certain transaction-related contingent items	16,466,833	8,070,859	4,857,256	17,430,332	8,393,068	5,303,752
Short-term self-liquidating trade-related contingencies	5,097,850	872,553	510,893	5,086,749	888,197	525,082
Obligations under underwriting agreements	-	-	-	350,106	-	-
	33,547,499	18,793,650	11,478,482	34,184,781	19,857,991	11,900,802
<u>Commitments</u>						
Irrevocable commitments to extend credit:						
- Maturity within one year	120,658,621	15,492,439	7,967,268	118,062,536	20,228,370	9,690,283
- Maturity exceeding one year	37,660,133	37,358,211	17,438,033	32,001,526	26,577,486	11,034,057
	158,318,754	52,850,650	25,405,301	150,064,062	46,805,856	20,724,340
Miscellaneous commitments and contingencies	12,872,921	1,219,426	159,013	11,702,032	3,495,252	395,741
Total credit-related commitments and contingencies	204,739,174	72,863,726	37,042,796	195,950,875	70,159,099	33,020,883

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A35. Commitments and Contingencies (cont'd.)

The risk-weighted exposures of the Group and of the Bank as at the following reporting dates are as follows (cont'd.):

Group (cont'd.)	As at 30 June 2019			As at 31 December 2018		
	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000
Derivative financial instruments						
Foreign exchange related contracts:						
- Less than one year	485,135,579	4,134,998	781,788	287,282,306	2,409,408	690,829
- One year to less than five years	32,974,787	473,473	228,312	32,474,807	493,586	295,405
- Five years and above	5,291,943	815,538	582,127	2,895,022	357,517	363,386
	523,402,309	5,424,009	1,592,227	322,652,135	3,260,511	1,349,620
Interest rate related contracts:						
- Less than one year	102,764,015	935,193	453,559	80,323,763	1,209,318	638,948
- One year to less than five years	172,991,005	5,156,096	3,220,228	192,871,756	5,591,544	3,777,488
- Five years and above	115,513,831	998,869	1,257,253	71,574,767	992,323	1,253,145
	391,268,851	7,090,158	4,931,040	344,770,286	7,793,185	5,669,581
Equity and commodity related contracts:						
- Less than one year	5,587,812	90,400	23,038	7,127,130	218,094	136,698
- One year to less than five years	1,814,058	396,912	131,270	2,377,639	672,088	327,610
- Five years and above	27,063	-	-	27,063	-	-
	7,428,933	487,312	154,308	9,531,832	890,182	464,308
Credit related contracts:						
- Less than one year	51,262	-	-	50,000	-	-
Total treasury-related commitments and contingencies						
	922,151,355	13,001,479	6,677,575	677,004,253	11,943,878	7,483,509
Total commitments and contingencies						
	1,126,890,529	85,865,205	43,720,371	872,955,128	82,102,977	40,504,392
Bank						
Contingent liabilities						
Direct credit substitutes	9,298,562	7,249,708	4,032,731	8,923,891	8,308,592	4,103,156
Certain transaction-related contingent items	12,747,515	6,289,642	3,599,723	13,406,870	6,456,096	3,815,720
Short-term self-liquidating trade-related contingencies	4,340,901	678,695	350,106	4,382,002	660,908	355,990
	26,386,978	14,218,045	7,982,560	26,712,763	15,425,596	8,274,866
Commitments						
Irrevocable commitments to extend credit:						
- Maturity within one year	79,362,418	9,197,509	4,584,056	76,917,938	8,653,953	4,522,825
- Maturity exceeding one year	19,963,091	24,853,737	12,613,325	16,466,024	19,622,244	8,697,626
	99,325,509	34,051,246	17,197,381	93,383,962	28,276,197	13,220,451
Miscellaneous commitments and contingencies						
	6,955,726	787,986	99,329	7,281,538	3,207,675	355,374
Total credit-related commitments and contingencies						
	132,668,213	49,057,277	25,279,270	127,378,263	46,909,468	21,850,691

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A35. Commitments and Contingencies (cont'd.)

The risk-weighted exposures of the Group and of the Bank as at the following reporting dates are as follows (cont'd.):

	As at 30 June 2019			As at 31 December 2018		
	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000
Bank (cont'd.)						
<u>Derivative financial instruments</u>						
Foreign exchange related contracts:						
- Less than one year	471,932,551	4,026,235	670,531	279,483,984	2,364,015	562,348
- One year to less than five years	32,048,771	401,740	185,905	31,402,000	433,705	264,475
- Five years and above	4,321,520	681,147	494,464	2,895,022	331,951	348,215
	508,302,842	5,109,122	1,350,900	313,781,006	3,129,671	1,175,038
Interest rate related contracts:						
- Less than one year	100,618,754	615,163	330,883	78,303,166	833,030	550,428
- One year to less than five years	161,475,128	4,024,003	2,495,672	181,037,946	4,044,624	2,745,023
- Five years and above	115,482,876	840,301	1,021,237	71,694,423	835,447	1,091,735
	377,576,758	5,479,467	3,847,792	331,035,535	5,713,101	4,387,186
Equity and commodity related contracts:						
- Less than one year	4,483,527	4,585	683	5,538,336	110,116	102,339
- One year to less than five years	1,814,058	396,912	131,270	2,377,639	672,088	327,610
	6,297,585	401,497	131,953	7,915,975	782,204	429,949
Credit related contracts:						
- Less than one year	50,000	-	-	50,000	-	-
Total treasury-related commitments and contingencies	892,227,185	10,990,086	5,330,645	652,782,516	9,624,976	5,992,173
Total commitments and contingencies	1,024,895,398	60,047,363	30,609,915	780,160,779	56,534,444	27,842,864

* The credit equivalent amount and the risk-weighted amount are derived at using the credit conversion factors and risk-weights respectively as specified by Bank Negara Malaysia for regulatory capital adequacy purposes.

(i) The Group's and the Bank's derivative financial instruments are subject to market, credit and liquidity risks, as follows:

Market Risk

Market risk on derivatives is the potential loss to the value of these contracts due to changes in price of the underlying items such as equities, interest rates, foreign exchange rates, credit spreads, commodities or other indices. The notional or contractual amounts provide only the volume of transactions outstanding at the reporting date and do not represent the amount at risk. Exposure to market risk may be reduced through offsetting items from on and off-balance sheet positions.

Credit Risk

Credit risk arises from the possibility that a counterparty may be unable to meet the terms of a contract in which the Bank and certain subsidiaries have a gain position. As at 30 June 2019, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM8,573.5 million (31 December 2018: RM6,963.5 million). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Liquidity Risk

Liquidity risk on derivatives is the risk that the derivative position cannot be closed out promptly. Exposure to liquidity risk is reduced through contracting derivatives where the underlying items are widely traded.

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A35. Commitments and Contingencies (cont'd.)

- (ii) There have been no changes since the end of the previous financial year in respect of the following:
- (a) the types of derivative financial contracts entered into and the rationale for entering into such contracts, as well as the expected benefits accruing from these contracts;
 - (b) the risk management policies in place for mitigating and controlling the risks associated with these derivative financial contracts; and
 - (c) the related accounting policies.

A36. Capital Adequacy

(a) Capital Adequacy Framework

- (i) Bank Negara Malaysia ("BNM") had on 2 February 2018 issued the Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) on the computation of capital and capital adequacy ratios for Conventional banks and Islamic banks respectively. All financial institutions shall hold and maintain at all times, the following minimum capital adequacy ratios:

Common Equity Tier 1 (CET1) Capital Ratio	Tier 1 Capital Ratio	Total Capital Ratio
4.5%*	6.0%	8.0%

* In addition, BNM had introduced Capital Conservation Buffer of 2.5% of total risk-weighted assets ("RWA") as well as Countercyclical Capital Buffer ranging between 0% - 2.5% of total RWA.

- (ii) Total RWA is calculated as the sum of credit RWA, market RWA, operational RWA and large exposure risk requirements as determined in accordance with the Capital Adequacy Framework (Basel II - Risk-Weighted Assets) and Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets) both issued by BNM on 2 February 2018 for Conventional banks and Islamic banks respectively.

The sum of the above is further adjusted to take into account any profit-sharing investment accounts ("PSIA") recognised as risk absorbent for capital adequacy purposes, in the manner stipulated under the Guidelines on Recognition and Measurement of PSIA as Risk Absorbent as updated by BNM on 26 July 2011.

Any exposures which are deducted in the calculation of CET1 Capital, Tier 1 Capital and Total Capital are not subjected to any further capital charges in the computation of RWA.

(b) Compliance and application of capital adequacy ratios

The capital adequacy ratios of the Group and of the Bank are computed in accordance with BNM's Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework (Basel II - Risk-Weighted Assets) both issued on 2 February 2018. The total RWA are computed based on the following approaches:

- (A) Credit risk under Internal Ratings-Based Approach;
- (B) Market risk under Standardised Approach; and
- (C) Operational risk under Basic Indicator Approach.

On an entity level basis, the computation of capital adequacy ratios of the subsidiaries of the Group are as follows:

- (i) For Maybank Islamic Berhad, the computation of capital adequacy ratios are based on BNM's Capital Adequacy Framework for Islamic Banks (Capital Components) and Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets) both issued on 2 February 2018. The total RWA are computed based on the following approaches:

- (A) Credit risk under Internal Ratings-Based Approach;
- (B) Market risk under Standardised Approach; and
- (C) Operational risk under Basic Indicator Approach.

The minimum regulatory capital adequacy requirements for CET1, Tier 1 and Total Capital are 4.5%, 6.0% and 8.0% of total RWA for the financial year ending 31 December 2019 (2018: 4.5%, 6.0% and 8.0% of total RWA).

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A36. Capital Adequacy (cont'd.)

(b) Compliance and application of capital adequacy ratios (cont'd.)

(ii) For Maybank Investment Bank Berhad, the computation of capital adequacy ratios are based on BNM's Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework (Basel II - Risk-Weighted Assets) both issued on 2 February 2018. The total RWA are computed based on the following approaches:

- (A) Credit risk under Standardised Approach;
- (B) Market risk under Standardised Approach; and
- (C) Operational risk under Basic Indicator Approach.

The minimum regulatory capital adequacy requirements for CET1, Tier 1 and Total Capital are 4.5%, 6.0% and 8.0% of total RWA for the financial year ending 31 December 2019 (2018: 4.5%, 6.0% and 8.0% of total RWA).

(iii) For PT Bank Maybank Indonesia Tbk, the computation of capital adequacy ratios are in accordance with local requirements, which is based on the Basel II capital accord. The total RWA are computed based on the following approaches:

- (A) Credit risk under Standardised Approach;
- (B) Market risk under Standardised Approach; and
- (C) Operational risk under Basic Indicator Approach.

The minimum regulatory capital adequacy requirement for PT Bank Maybank Indonesia Tbk is 9% up to less than 10% (2018: 10% up to less than 11%) of total RWA.

(iv) For Maybank Singapore Limited, the computation of capital adequacy ratios are based on MAS Notice 637 dated 14 September 2012 (last revised on 13 November 2018) issued by the Monetary Authority of Singapore ("MAS"). The total RWA are computed based on the following approaches:

- (A) Credit risk under Internal Ratings-Based Approach;
- (B) Market risk under Standardised Approach;
- (C) Operational risk under Basic Indicator Approach; and
- (D) Capital floor adjustment to RWA under MAS Notice 637.

The minimum regulatory capital adequacy requirements for CET1, Tier 1 and Total Capital are 6.5%, 8.0% and 10.0% of total RWA for the financial year ending 31 December 2019 (2018: 6.5%, 8.0% and 10.0% of total RWA).

(c) The capital adequacy ratios of the Group and of the Bank

With effect from 30 June 2013, the amount of declared dividend to be deducted in the calculation of CET1 Capital under a DRP shall be determined in accordance with BNM's Implementation Guidance on Capital Adequacy Framework (Capital Components) ("Implementation Guidance") issued on 8 May 2013. Under the said Implementation Guidance, where a portion of the dividend may be reinvested under a DRP (the electable portion), the amount of declared dividend to be deducted in the calculation of CET1 Capital may be reduced as follows:

- (i) where an irrevocable written undertaking from shareholder has been obtained to reinvest the electable portion of the dividend; or
- (ii) where there is no irrevocable written undertaking provided, the average of the preceding 3-year take-up rates subject to the amount being not more than 50% of the total electable portion of the dividend.

For the financial half year ended 30 June 2019, the Bank has proposed a single-tier interim cash dividend of 25 sen.

In arriving the capital adequacy ratios for the financial half year ended 30 June 2019, the proposed single-tier interim dividend has not been deducted from the calculation of CET1 Capital.

Based on the above, the capital adequacy ratios of the Group and of the Bank are as follows:

	Group		Bank	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
CET1 Capital Ratio	14.948%	15.029%	14.418%	13.757%
Tier 1 Capital Ratio	15.865%	15.983%	15.503%	14.871%
Total Capital Ratio	18.705%	19.024%	18.691%	18.266%

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A36. Capital Adequacy (cont'd.)

(d) Components of capital:

	Group		Bank	
	30 June 2019 RM'000	31 December 2018 RM'000	30 June 2019 RM'000	31 December 2018 RM'000
CET1 Capital				
Share capital	48,280,873	46,747,442	48,280,873	46,747,442
Retained profits ¹	19,040,060	19,905,842	14,220,832	14,410,042
Other reserves ¹	4,715,851	2,154,645	5,919,547	4,111,140
Qualifying non-controlling interests	128,778	133,264	-	-
CET1 Capital before regulatory adjustments	72,165,562	68,941,193	68,421,252	65,268,624
Less: Regulatory adjustments applied on CET1 Capital:				
Deferred tax assets	(631,647)	(1,026,818)	-	(345,186)
Goodwill	(5,681,542)	(5,547,431)	(81,015)	(81,015)
Other intangibles	(999,788)	(1,011,272)	(275,105)	(279,850)
Gains on financial instruments classified as 'fair value through other comprehensive income'	(1,048,404)	(43,006)	(826,254)	(32,049)
Regulatory reserve	(2,605,004)	(2,127,290)	(1,982,307)	(1,778,997)
Investment in ordinary shares of unconsolidated financial and insurance/takaful entities ²	(2,974,606)	(2,884,910)	(32,050,654)	(31,857,847)
Total CET1 Capital	58,224,571	56,300,466	33,205,917	30,893,680
Additional Tier 1 Capital				
Capital securities	3,500,000	3,500,000	3,500,000	3,500,000
Qualifying CET1 and Additional Tier 1 capital instruments held by third parties	71,993	71,182	-	-
Less: Investment in capital instruments of unconsolidated financial and insurance/takaful entities ²	-	-	(1,000,000)	(1,000,000)
Total Tier 1 Capital	61,796,564	59,871,648	35,705,917	33,393,680
Tier 2 Capital				
Subordinated obligations	9,066,218	9,066,767	9,066,218	9,066,767
Qualifying CET1, Additional Tier 1 and Tier 2 capital instruments held by third parties	38,010	405,381	-	-
General provisions ³	336,969	348,148	50,395	51,305
Surplus of total eligible provision over total expected loss	1,618,704	1,572,006	1,023,138	988,691
Less: Investment in capital instruments of unconsolidated financial and insurance/takaful entities ²	-	-	(2,798,229)	(2,482,391)
Total Tier 2 Capital	11,059,901	11,392,302	7,341,522	7,624,372
Total Capital	72,856,465	71,263,950	43,047,439	41,018,052

¹ For the Group, the amount excludes retained profits and other reserves from insurance and takaful business. For the Bank, the amount includes retained profits and other reserves of Maybank International (L) Ltd.

² For the Bank, the regulatory adjustment includes cost of investment in subsidiaries and associates, except for: (i) Myfin Berhad of RM18,994,000 as its business, assets and liabilities have been transferred to the Bank; (ii) Maybank International (L) Ltd. of RM10,289,000 and (iii) Maybank Agro Fund Sdn. Bhd. of RM10,845,000, as its assets are included in the Bank's RWA. For the Group, the regulatory adjustment includes carrying amount of associates and investment in insurance and takaful entities.

³ Refers to loss allowance measured at an amount equal to 12-month and lifetime expected credit losses and regulatory reserve, to the extent they are ascribed to non-credit impaired exposures, determined under Standardised Approach for credit risk.

The capital adequacy ratios of the Group is derived from consolidated balances of the Bank and its subsidiaries, excluding the investments in insurance and takaful entities and associates.

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A36. Capital Adequacy (cont'd.)

(d) Components of capital (cont'd.):

The capital adequacy ratios of the Bank is derived from the Bank and its wholly-owned offshore banking subsidiary, Maybank International (L) Ltd., excluding the investments in subsidiaries and associates (except for Myfin Berhad, Maybank International (L) Ltd. and Maybank Agro Fund Sdn. Bhd. as disclosed above).

(e) The capital adequacy ratios of the banking subsidiaries of the Bank are as follows:

	Maybank Islamic Berhad	Maybank Investment Bank Berhad	PT Bank Maybank Indonesia Tbk	Maybank Singapore Limited
<u>At 30 June 2019</u>				
CET1 Capital Ratio	14.928%	31.750%	-	16.272%
Tier 1 Capital Ratio	16.445%	31.750%	-	16.272%
Total Capital Ratio	<u>19.974%</u>	<u>33.303%</u>	<u>19.070%</u>	<u>16.583%</u>
<u>At 31 December 2018</u>				
CET1 Capital Ratio	16.368%	24.574%	-	15.455%
Tier 1 Capital Ratio	17.984%	24.574%	-	15.455%
Total Capital Ratio	<u>22.545%</u>	<u>26.198%</u>	<u>19.041%</u>	<u>15.696%</u>

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A36. Capital Adequacy (cont'd.)

(f) The breakdown of RWA by each major risk categories are as follows:

At 30 June 2019

	Group RM'000	Bank RM'000	Maybank Islamic Berhad RM'000	Maybank Investment Bank Berhad RM'000	PT Bank Maybank Indonesia Tbk RM'000	Maybank Singapore Limited RM'000
Standardised Approach exposure	57,208,439	22,059,505	4,912,678	812,565	33,916,078	18,973,386
Internal Ratings-Based Approach exposure after scaling factor	269,784,022	170,522,917	63,806,170	-	-	21,767,146
Credit valuation adjustment	-	-	-	-	-	198,422
Total RWA for credit risk	326,992,461	192,582,422	68,718,848	812,565	33,916,078	40,938,954
Total RWA for credit risk absorbed by Malayan Banking Berhad and Investment Account*	-	-	(11,560,735)	-	-	-
Total RWA for market risk	20,397,348	14,486,010	1,114,131	278,127	686,696	11,453
Total RWA for operational risk	42,121,610	23,242,757	7,666,872	726,127	5,569,604	3,813,596
Total RWA	389,511,419	230,311,189	65,939,116	1,816,819	40,172,378	44,764,003

At 31 December 2018

	Group RM'000	Bank RM'000	Maybank Islamic Berhad RM'000	Maybank Investment Bank Berhad RM'000	PT Bank Maybank Indonesia Tbk RM'000	Maybank Singapore Limited RM'000
Standardised Approach exposure	53,335,879	22,273,148	5,647,539	1,288,808	33,427,795	17,910,238
Internal Ratings-Based Approach exposure after scaling factor	262,000,921	164,781,857	60,816,283	-	-	21,449,331
Credit valuation adjustment	-	-	-	-	-	238,260
Total RWA for credit risk	315,336,800	187,055,005	66,463,822	1,288,808	33,427,795	39,597,829
Total RWA for credit risk absorbed by Malayan Banking Berhad and Investment Account*	-	-	(13,113,007)	-	-	-
Total RWA for market risk	17,476,305	13,726,342	1,152,312	125,253	494,675	4,976
Total RWA for operational risk	41,792,895	23,777,893	7,381,566	748,111	5,254,843	3,565,646
Total capital floor adjustment to RWA	-	-	-	-	-	3,659,889
Total RWA	374,606,000	224,559,240	61,884,693	2,162,172	39,177,313	46,828,340

* In accordance to the BNM Investment Account policy, the credit risk weighted assets funded by investment accounts (Unrestricted Investment Account and Restricted Investment Account) are excluded from the calculation of capital adequacy ratio of the Bank.

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A37. Derivative Financial Instruments

The following tables summarise the contractual or underlying principal amounts of trading derivatives and financial instruments held for hedging purposes. The principal or contractual amounts of these instruments reflect the volume of transactions outstanding at the reporting date, and do not represent amounts at risk.

Derivative financial instruments are revalued on a gross position basis and the unrealised gains or losses are reflected in "Derivative Financial Instruments" Assets and Liabilities respectively.

	Group			Bank		
	Principal Amount RM'000	<----- Fair Value ----->		Principal Amount RM'000	<----- Fair Value ----->	
<u>At 30 June 2019</u>	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000	RM'000
Trading derivatives						
<u>Foreign exchange related contracts</u>						
Currency forwards:						
- Less than one year	37,658,055	265,428	(225,743)	30,308,705	215,452	(200,696)
- One year to three years	1,931,802	23,409	(33,061)	1,547,857	26,042	(33,061)
- More than three years	2,712,094	75,624	(2,762)	1,688,725	78,946	(3,656)
	<u>42,301,951</u>	<u>364,461</u>	<u>(261,566)</u>	<u>33,545,287</u>	<u>320,440</u>	<u>(237,413)</u>
Currency swaps:						
- Less than one year	423,890,385	1,500,679	(1,565,911)	419,919,522	1,394,508	(1,446,592)
- One year to three years	478,322	684	(927)	599,292	719	(927)
	<u>424,368,707</u>	<u>1,501,363</u>	<u>(1,566,838)</u>	<u>420,518,814</u>	<u>1,395,227</u>	<u>(1,447,519)</u>
Currency spots:						
- Less than one year	2,730,343	1,711	(2,052)	2,601,417	2,056	(2,125)
Currency options:						
- Less than one year	9,191,017	17,273	(18,786)	9,069,969	16,849	(17,854)
- One year to three years	345,815	10,789	(2,571)	352,430	10,957	(2,723)
- More than three years	744,850	47,973	(90,726)	1,282,315	61,217	(91,175)
	<u>10,281,682</u>	<u>76,035</u>	<u>(112,083)</u>	<u>10,704,714</u>	<u>89,023</u>	<u>(111,752)</u>
Cross currency interest rate swaps:						
- Less than one year	7,842,942	295,237	(175,908)	6,210,101	267,935	(148,425)
- One year to three years	15,684,283	357,354	(374,533)	14,846,122	345,970	(361,154)
- More than three years	10,675,441	349,099	(275,161)	10,359,427	344,580	(259,994)
	<u>34,202,666</u>	<u>1,001,690</u>	<u>(825,602)</u>	<u>31,415,650</u>	<u>958,485</u>	<u>(769,573)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- Less than one year	91,537,738	86,150	(111,162)	90,974,115	81,364	(108,271)
- One year to three years	103,832,234	576,162	(1,255,522)	101,443,403	556,949	(1,242,512)
- More than three years	156,879,513	3,910,529	(3,189,623)	154,158,081	3,882,670	(3,187,136)
	<u>352,249,485</u>	<u>4,572,841</u>	<u>(4,556,307)</u>	<u>346,575,599</u>	<u>4,520,983</u>	<u>(4,537,919)</u>
Interest rate futures:						
- Less than one year	5,026,127	30,874	(37,323)	4,488,102	30,085	(36,736)
- One year to three years	2,316,569	-	(4,802)	2,068,250	-	(3,773)
	<u>7,342,696</u>	<u>30,874</u>	<u>(42,125)</u>	<u>6,556,352</u>	<u>30,085</u>	<u>(40,509)</u>
Interest rate options:						
- Less than one year	1,825,085	138	(349)	1,020,037	126	(349)
- One year to three years	8,591,997	15,053	(15,175)	4,295,999	15,152	(22)
- More than three years	14,030,337	1,028,761	(1,087,393)	12,138,085	1,028,873	(1,073,464)
	<u>24,447,419</u>	<u>1,043,952</u>	<u>(1,102,917)</u>	<u>17,454,121</u>	<u>1,044,151</u>	<u>(1,073,835)</u>

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A37. Derivative Financial Instruments (cont'd.)

	Group			Bank		
	Principal Amount RM'000	<---- Fair Value ---->		Principal Amount RM'000	<---- Fair Value ---->	
At 30 June 2019 (cont'd.)	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
Trading derivatives (cont'd.)						
<u>Equity related contracts</u>						
Index futures:						
- More than three years	27,063	1,626	-	-	-	-
Equity options:						
- Less than one year	340,307	21,930	(78,032)	-	-	-
Equity swaps:						
- Less than one year	848,734	59,230	(98,369)	84,756	8,791	-
<u>Commodity related contracts</u>						
Commodity options:						
- Less than one year	3,628,887	79,068	(79,068)	3,628,887	79,068	(79,068)
- One year to three years	124,715	2,728	(2,728)	124,715	2,728	(2,728)
	<u>3,753,602</u>	<u>81,796</u>	<u>(81,796)</u>	<u>3,753,602</u>	<u>81,796</u>	<u>(81,796)</u>
Commodity swaps:						
- Less than one year	769,884	30,261	(30,446)	769,884	30,261	(30,446)
- One year to three years	1,689,343	62,906	(58,983)	1,689,343	62,906	(58,983)
	<u>2,459,227</u>	<u>93,167</u>	<u>(89,429)</u>	<u>2,459,227</u>	<u>93,167</u>	<u>(89,429)</u>
<u>Credit related contracts</u>						
Credit default swaps						
- Less than one year	51,262	-	(1,912)	50,000	-	(650)
Hedging derivatives						
<u>Foreign exchange related contracts</u>						
Cross currency interest rate swaps:						
- Less than one year	3,822,837	153,206	(47,597)	3,822,837	153,206	(47,597)
- One year to three years	3,565,286	19,844	(26,975)	3,565,286	19,844	(26,975)
- More than three years	2,128,837	49,805	(9,737)	2,128,837	49,805	(9,737)
	<u>9,516,960</u>	<u>222,855</u>	<u>(84,309)</u>	<u>9,516,960</u>	<u>222,855</u>	<u>(84,309)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- Less than one year	4,375,065	343	-	4,136,500	-	-
- One year to three years	2,047,568	2,199	(5,674)	2,047,568	2,199	(5,674)
- More than three years	806,618	34,452	-	806,618	34,452	-
	<u>7,229,251</u>	<u>36,994</u>	<u>(5,674)</u>	<u>6,990,686</u>	<u>36,651</u>	<u>(5,674)</u>
Netting effects under MFRS 132 Amendments						
	-	(536,999)	536,999	-	(533,016)	533,016
Total	<u>922,151,355</u>	<u>8,573,526</u>	<u>(8,372,012)</u>	<u>892,227,185</u>	<u>8,270,694</u>	<u>(7,949,487)</u>

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A37. Derivative Financial Instruments (cont'd.)

At 31 December 2018	Principal Amount RM'000	Group <---- Fair Value ---->		Principal Amount RM'000	Bank <---- Fair Value ---->	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Trading derivatives						
<u>Foreign exchange related contracts</u>						
Currency forwards:						
- Less than one year	31,194,544	340,334	(224,885)	22,636,448	205,364	(195,765)
- One year to three years	2,419,856	45,870	(18,400)	1,970,597	45,856	(18,356)
- More than three years	97,073	528	(5,593)	294,686	528	(17,956)
	<u>33,711,473</u>	<u>386,732</u>	<u>(248,878)</u>	<u>24,901,731</u>	<u>251,748</u>	<u>(232,077)</u>
Currency swaps:						
- Less than one year	240,620,998	1,526,191	(1,796,461)	239,968,781	1,626,372	(1,837,297)
- One year to three years	326,248	-	(16,607)	473,554	14	(16,651)
	<u>240,947,246</u>	<u>1,526,191</u>	<u>(1,813,068)</u>	<u>240,442,335</u>	<u>1,626,386</u>	<u>(1,853,948)</u>
Currency spots:						
- Less than one year	2,374,825	3,429	(3,976)	3,158,817	3,423	(3,860)
Currency options:						
- Less than one year	3,033,745	9,491	(22,956)	2,882,626	7,966	(20,363)
- One year to three years	730,832	21,942	(14,104)	731,273	20,732	(9,280)
- More than three years	1,276,970	169,270	(224,131)	1,282,935	85,454	(114,836)
	<u>5,041,547</u>	<u>200,703</u>	<u>(261,191)</u>	<u>4,896,834</u>	<u>114,152</u>	<u>(144,479)</u>
Cross currency interest rate swaps:						
- Less than one year	8,934,360	381,262	(412,543)	9,713,478	489,087	(496,897)
- One year to three years	13,236,175	333,367	(295,928)	12,575,553	325,751	(270,406)
- More than three years	12,017,581	443,496	(437,216)	11,703,330	437,900	(410,959)
	<u>34,188,116</u>	<u>1,158,125</u>	<u>(1,145,687)</u>	<u>33,992,361</u>	<u>1,252,738</u>	<u>(1,178,262)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- Less than one year	73,235,461	63,566	(91,014)	73,056,163	59,536	(84,512)
- One year to three years	81,782,048	332,846	(659,335)	80,165,902	309,787	(638,721)
- More than three years	159,933,739	2,314,314	(2,265,464)	156,468,330	2,280,842	(2,245,824)
	<u>314,951,248</u>	<u>2,710,726</u>	<u>(3,015,813)</u>	<u>309,690,395</u>	<u>2,650,165</u>	<u>(2,969,057)</u>
Interest rate futures:						
- Less than one year	5,638,880	294,289	(296,322)	4,556,489	293,949	(296,123)
- One year to three years	660,095	199	(481)	289,695	199	-
	<u>6,298,975</u>	<u>294,488</u>	<u>(296,803)</u>	<u>4,846,184</u>	<u>294,148</u>	<u>(296,123)</u>
Interest rate options:						
- Less than one year	932,109	32	(119)	483,589	-	(87)
- One year to three years	6,308,531	3,664	(2,204)	3,775,048	4,673	(1,790)
- More than three years	14,718,530	419,925	(591,386)	11,226,386	400,873	(572,180)
	<u>21,959,170</u>	<u>423,621</u>	<u>(593,709)</u>	<u>15,485,023</u>	<u>405,546</u>	<u>(574,057)</u>

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A37. Derivative Financial Instruments (cont'd.)

	Principal Amount RM'000	Group <---- Fair Value ---->		Principal Amount RM'000	Bank <---- Fair Value ---->	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
At 31 December 2018 (cont'd.)						
Trading derivatives (cont'd.)						
<u>Equity related contracts</u>						
Index futures:						
- More than three years	27,063	1,865	-	-	-	-
	<u>27,063</u>	<u>1,865</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equity options:						
- Less than one year	225,554	21,246	(240,799)	-	-	-
	<u>225,554</u>	<u>21,246</u>	<u>(240,799)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equity swaps:						
- Less than one year	1,484,325	63,626	(172,649)	121,085	26,312	(285)
	<u>1,484,325</u>	<u>63,626</u>	<u>(172,649)</u>	<u>121,085</u>	<u>26,312</u>	<u>(285)</u>
<u>Commodity related contracts</u>						
Commodity options:						
- Less than one year	3,977,049	70,641	(70,641)	3,977,049	70,641	(70,641)
- One year to three years	1,058,800	43,926	(43,926)	1,058,800	43,926	(43,926)
	<u>5,035,849</u>	<u>114,567</u>	<u>(114,567)</u>	<u>5,035,849</u>	<u>114,567</u>	<u>(114,567)</u>
Commodity swaps:						
- Less than one year	1,440,202	132,434	(134,542)	1,440,202	132,434	(134,542)
- One year to three years	1,301,886	77,543	(76,070)	1,301,886	77,543	(76,070)
- More than three years	16,953	796	(729)	16,953	796	(729)
	<u>2,759,041</u>	<u>210,773</u>	<u>(211,341)</u>	<u>2,759,041</u>	<u>210,773</u>	<u>(211,341)</u>
<u>Credit-related contract</u>						
Credit default swaps						
- Less than one year	50,000	302	-	50,000	302	-
	<u>50,000</u>	<u>302</u>	<u>-</u>	<u>50,000</u>	<u>302</u>	<u>-</u>
Hedging derivatives						
<u>Foreign exchange related contracts</u>						
Cross currency interest rate swaps:						
- Less than one year	1,123,834	3,274	(117,548)	1,123,834	3,273	(117,546)
- One year to three years	3,233,806	145,501	(28,254)	3,233,806	145,501	(28,254)
- More than three years	2,031,288	24,501	(34,107)	2,031,288	24,501	(34,107)
	<u>6,388,928</u>	<u>173,276</u>	<u>(179,909)</u>	<u>6,388,928</u>	<u>173,275</u>	<u>(179,907)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- Less than one year	517,313	1,495	(1,117)	206,925	-	(1,117)
- One year to three years	236,572	520	-	-	-	-
- More than three years	807,008	10,519	(14,960)	807,008	10,519	(14,960)
	<u>1,560,893</u>	<u>12,534</u>	<u>(16,077)</u>	<u>1,013,933</u>	<u>10,519</u>	<u>(16,077)</u>
Netting effects under MFRS 132 Amendments						
	-	(338,683)	338,683	-	(334,991)	334,991
Total	<u>677,004,253</u>	<u>6,963,521</u>	<u>(7,975,784)</u>	<u>652,782,516</u>	<u>6,799,063</u>	<u>(7,439,049)</u>

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A38. Fair Value Measurements of Financial Instruments

Fair value hierarchy

For disclosure purposes, the level in the hierarchy within which the instruments are classified in its entirety is based on the lowest level input that is significant to the position's fair value measurements:

- (a) Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities

Refers to financial instruments which are regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, and those prices which represent actual and regularly occurring market transactions in an arm's length basis. Such financial instruments include actively traded government securities, listed derivatives and cash products traded on exchange.

- (b) Level 2: Valuation techniques for which all significant inputs are, or are based on, observable market data

Refers to inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices). Examples of Level 2 financial instruments include over-the-counter ("OTC") derivatives, corporate and other government bonds, illiquid equities and consumer loans and financing with homogeneous or similar features in the market.

- (c) Level 3: Valuation techniques for which significant inputs are not based on observable market data

Refers to instruments where fair value is measured using significant unobservable inputs. The valuation techniques used are consistent with Level 2 but incorporates the Group's and the Bank's own assumptions and data. Examples of Level 3 instruments include corporate bonds in illiquid markets, private equity investments and loans and financing priced primarily based on internal credit assessment.

The following tables show the Group's and the Bank's financial assets and financial liabilities that are measured at fair value analysed by level within the fair value hierarchy as at 30 June 2019 and 31 December 2018.

Group	<u>Valuation technique using</u>			Total RM'000
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
At 30 June 2019				
Financial assets measured at fair value:				
Financial assets designated upon initial recognition at fair value through profit or loss	127,610	15,940,900	-	16,068,510
Money market instruments	-	257,541	-	257,541
Quoted securities	127,610	-	-	127,610
Unquoted securities	-	15,683,359	-	15,683,359
Financial investments at fair value through profit or loss	4,161,096	13,193,723	779,947	18,134,766
Money market instruments	-	7,480,311	-	7,480,311
Quoted securities	4,161,096	-	-	4,161,096
Unquoted securities	-	5,713,412	779,947	6,493,359
Financial investments at fair value through other comprehensive income	199,457	130,749,339	581,680	131,530,476
Money market instruments	-	68,324,922	-	68,324,922
Quoted securities	199,457	-	-	199,457
Unquoted securities	-	62,424,417	581,680	63,006,097
Loans, advances and financing at fair value through profit or loss	-	-	369,139	369,139
Loans, advances and financing at fair value through other comprehensive income	-	-	10,804,833	10,804,833

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A38. Fair Value Measurements of Financial Instruments (cont'd.)

Group (cont'd.) At 30 June 2019	Valuation technique using			Total RM'000
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
Financial assets measured at fair value (cont'd.):				
Derivative assets	-	8,457,726	115,800	8,573,526
Foreign exchange related contracts	-	3,168,115	-	3,168,115
Interest rate related contracts	-	5,684,661	-	5,684,661
Equity and commodity related contracts	-	141,949	115,800	257,749
Netting effects under MFRS 132 Amendments	-	(536,999)	-	(536,999)
	4,488,163	168,341,688	12,651,399	185,481,250

Financial liabilities measured at fair value:

Financial liabilities designated at fair value through profit or loss	-	8,367,524	-	8,367,524
Structured deposits	-	168,040	-	168,040
Borrowings	-	8,199,484	-	8,199,484
Derivative liabilities	-	8,256,212	115,800	8,372,012
Foreign exchange related contracts	-	2,852,450	-	2,852,450
Interest rate related contracts	-	5,707,023	-	5,707,023
Equity and commodity related contracts	-	231,826	115,800	347,626
Credit related contracts	-	1,912	-	1,912
Netting effects under MFRS 132 Amendments	-	(536,999)	-	(536,999)
	-	16,623,736	115,800	16,739,536

Group At 31 December 2018	Valuation technique using			Total RM'000
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
Financial assets measured at fair value:				
Financial assets designated upon initial recognition at fair value through profit or loss	114,885	15,601,153	-	15,716,038
Money market instruments	-	621,775	-	621,775
Quoted securities	114,885	-	-	114,885
Unquoted securities	-	14,979,378	-	14,979,378
Financial investments at fair value through profit or loss	4,526,355	8,946,598	779,947	14,252,900
Money market instruments	-	3,710,944	-	3,710,944
Quoted securities	4,526,355	-	-	4,526,355
Unquoted securities	-	5,235,654	779,947	6,015,601
Financial investments at fair value through other comprehensive income	189,166	120,211,367	513,355	120,913,888
Money market instruments	-	67,472,671	-	67,472,671
Quoted securities	189,166	-	-	189,166
Unquoted securities	-	52,738,696	513,355	53,252,051
Loans, advances and financing at fair value through profit or loss	-	-	396,950	396,950
Loans, advances and financing at fair value through other comprehensive income	-	-	8,968,438	8,968,438

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A38. Fair Value Measurements of Financial Instruments (cont'd.)

Group (cont'd.) At 31 December 2018	<u>Valuation technique using</u>			Total RM'000
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
Financial assets measured at fair value (cont'd.):				
Derivative assets	-	6,759,574	203,947	6,963,521
Foreign exchange related contracts	-	3,448,456	-	3,448,456
Interest rate related contracts	-	3,441,369	-	3,441,369
Equity and commodity related contracts	-	208,130	203,947	412,077
Credit related contracts	-	302	-	302
Netting effects under MFRS 132 Amendments	-	(338,683)	-	(338,683)
	<u>4,830,406</u>	<u>151,518,692</u>	<u>10,862,637</u>	<u>167,211,735</u>
Financial liabilities measured at fair value:				
Financial liabilities designated at fair value through profit or loss	-	8,892,691	-	8,892,691
Structured deposits	-	1,640,430	-	1,640,430
Borrowings	-	7,252,261	-	7,252,261
Derivative liabilities	-	7,771,837	203,947	7,975,784
Foreign exchange related contracts	-	3,652,709	-	3,652,709
Interest rate related contracts	-	3,922,402	-	3,922,402
Equity and commodity related contracts	-	535,409	203,947	739,356
Netting effects under MFRS 132 Amendments	-	(338,683)	-	(338,683)
	<u>-</u>	<u>16,664,528</u>	<u>203,947</u>	<u>16,868,475</u>
Bank				
<u>Valuation technique using</u>				
Bank At 30 June 2019	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	Total RM'000
Financial assets measured at fair value:				
Financial investments at fair value through profit or loss	224,269	12,559,196	600,549	13,384,014
Money market instruments	-	6,941,157	-	6,941,157
Quoted securities	224,269	-	-	224,269
Unquoted securities	-	5,618,039	600,549	6,218,588
Financial investments at fair value through other comprehensive income	20,795	93,872,676	527,279	94,420,750
Money market instruments	-	42,103,776	-	42,103,776
Quoted securities	20,795	-	-	20,795
Unquoted securities	-	51,768,900	527,279	52,296,179
Loans, advances and financing at fair value through profit or loss	-	-	369,139	369,139
Loans, advances and financing at fair value through other comprehensive income	-	-	10,506,502	10,506,502
Derivative assets	-	8,154,894	115,800	8,270,694
Foreign exchange related contracts	-	2,988,086	-	2,988,086
Interest rate related contracts	-	5,631,870	-	5,631,870
Equity and commodity related contracts	-	67,954	115,800	183,754
Netting effects under MFRS 132 Amendments	-	(533,016)	-	(533,016)
	<u>245,064</u>	<u>114,586,766</u>	<u>12,119,269</u>	<u>126,951,099</u>

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A38. Fair Value Measurements of Financial Instruments (cont'd.)

Bank (cont'd.) At 30 June 2019	Quoted Market Price (Level 1) RM'000	Valuation technique using		Total RM'000
		Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
Financial liabilities measured at fair value:				
Financial liabilities designated at fair value through profit or loss	-	8,367,524	-	8,367,524
Structured deposits	-	168,040	-	168,040
Borrowings	-	8,199,484	-	8,199,484
Derivative liabilities	-	7,833,687	115,800	7,949,487
Foreign exchange related contracts	-	2,652,691	-	2,652,691
Interest rate related contracts	-	5,657,937	-	5,657,937
Equity and commodity related contracts	-	55,425	115,800	171,225
Credit related contracts	-	650	-	650
Netting effects under MFRS 132 Amendments	-	(533,016)	-	(533,016)
	-	16,201,211	115,800	16,317,011

Bank At 31 December 2018	Quoted Market Price (Level 1) RM'000	Valuation technique using		Total RM'000
		Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
Financial assets measured at fair value:				
Financial investments at fair value through profit or loss	214,208	8,099,410	600,549	8,914,167
Money market instruments	-	2,879,675	-	2,879,675
Quoted securities	214,208	-	-	214,208
Unquoted securities	-	5,219,735	600,549	5,820,284
Financial investments at fair value through other comprehensive income	19,677	89,104,103	459,057	89,582,837
Money market instruments	-	45,495,137	-	45,495,137
Quoted securities	19,677	-	-	19,677
Unquoted securities	-	43,608,966	459,057	44,068,023
Loans, advances and financing at fair value through profit or loss	-	-	396,950	396,950
Loans, advances and financing at fair value through other comprehensive income	-	-	8,680,217	8,680,217
Derivative assets	-	6,595,116	203,947	6,799,063
Foreign exchange related contracts	-	3,421,722	-	3,421,722
Interest rate related contracts	-	3,360,378	-	3,360,378
Equity and commodity related contracts	-	147,705	203,947	351,652
Credit related contracts	-	302	-	302
Netting effects under MFRS132 Amendments	-	(334,991)	-	(334,991)
	233,885	103,798,629	10,340,720	114,373,234

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A38. Fair Value Measurements of Financial Instruments (cont'd.)

Bank (cont'd.) At 31 December 2018	Quoted Market Price (Level 1) RM'000	Valuation technique using		Total RM'000
		Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
Financial liabilities measured at fair value:				
Financial liabilities designated at fair value through profit or loss				
Structured deposits	-	8,507,004	-	8,507,004
Borrowings	-	1,254,743	-	1,254,743
	-	7,252,261	-	7,252,261
Derivative liabilities				
Foreign exchange related contracts	-	7,235,102	203,947	7,439,049
Interest rate related contracts	-	3,592,533	-	3,592,533
Equity and commodity related contracts	-	3,855,314	-	3,855,314
Netting effects under MFRS132 Amendments	-	122,246	203,947	326,193
	-	(334,991)	-	(334,991)
	-	15,742,106	203,947	15,946,053

Valuation techniques

The valuation techniques used for the financial instruments that are not determined by reference to quoted prices (Level 1) are described below:

Derivatives

The fair values of the Group's and the Bank's derivative instruments are derived using discounted cash flows analysis, option pricing and benchmarking models.

Financial assets designated at fair value through profit or loss, financial investments at fair value through profit or loss and financial investments at fair value through other comprehensive income.

The fair values of these financial assets/financial investments are determined by reference to prices quoted by independent data providers and independent brokers. Fair values for unquoted equity securities held for socio economic reasons (classified as Level 3) are determined based on the net tangible assets of the companies.

Loans, advances and financing at fair value through profit or loss and at fair value through other comprehensive income

The fair values are estimated based on expected future cash flows of contractual instalment payments, discounted at applicable and prevailing rates at reporting date offered for similar facilities to new borrowers with similar credit profiles.

Financial liabilities designated at fair value through profit or loss

The fair values of financial liabilities designated at fair value through profit or loss are derived using discounted cash flows.

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A38. Fair Value Measurements of Financial Instruments (cont'd.)

Reconciliation of fair value measurements in Level 3 of the fair value hierarchy:

Group	At 1 January 2019 RM'000	Other gains recognised in income statements* RM'000	Unrealised gains/(losses) recognised in income statements# RM'000	Unrealised gains/(losses) recognised in other comprehensive income RM'000	Purchases/ Issuances/ Additions RM'000	Sales RM'000	Settlements RM'000	Exchange differences RM'000	Transfer into Level 3 RM'000	Transfer out from Level 3 RM'000	At 30 June 2019 RM'000
Financial investments at fair value through profit or loss											
Unquoted securities	779,947	-	-	-	-	-	-	-	-	-	779,947
Financial investments at fair value through other comprehensive income											
Unquoted securities	513,355	-	-	74,004	-	(5,782)	-	103	-	-	581,680
Loans, advances and financing at fair value through profit or loss	396,950	-	1,673	-	-	-	(29,563)	79	-	-	369,139
Loans, advances and financing at fair value through other comprehensive income	8,968,438	-	-	(47,980)	3,492,615	-	(1,608,240)	-	-	-	10,804,833
Derivative assets											
Equity and commodity related contracts	203,947	51,856	(83,097)	-	18,318	-	(75,224)	-	-	-	115,800
Total Level 3 financial assets	<u>10,862,637</u>	<u>51,856</u>	<u>(81,424)</u>	<u>26,024</u>	<u>3,510,933</u>	<u>(5,782)</u>	<u>(1,713,027)</u>	<u>182</u>	<u>-</u>	<u>-</u>	<u>12,651,399</u>
Derivative liabilities											
Equity and commodity related contracts	(203,947)	52,260	(83,097)	-	(1,425)	-	120,409	-	-	-	(115,800)
Total Level 3 financial liabilities	<u>(203,947)</u>	<u>52,260</u>	<u>(83,097)</u>	<u>-</u>	<u>(1,425)</u>	<u>-</u>	<u>120,409</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(115,800)</u>
Total net Level 3 financial assets/(liabilities)	<u>10,658,690</u>	<u>104,116</u>	<u>(164,521)</u>	<u>26,024</u>	<u>3,509,508</u>	<u>(5,782)</u>	<u>(1,592,618)</u>	<u>182</u>	<u>-</u>	<u>-</u>	<u>12,535,599</u>

* Included within 'Other operating income', 'Allowances for/(writeback of) Impairment Losses on Financial Investments' and 'Income from Islamic Banking Scheme operations'.

Included within 'Other operating income' and 'Income from Islamic Banking Scheme operations'.

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A38. Fair Value Measurements of Financial Instruments (cont'd.)

Group	At 1 January 2018 RM'000	Effect of adopting MFRS 9 RM'000	Restated as at 1 January 2018 RM'000	Other gains recognised in income statements* RM'000	Unrealised gains/(losses) recognised in income statements# RM'000	Unrealised gains recognised in other comprehensive income RM'000	Purchases/ Issuances/ Additions RM'000	Sales RM'000	Settlements RM'000	Exchange differences RM'000	Transfer into Level 3 RM'000	Transfer out from Level 3 RM'000	At 31 December 2018 RM'000
Financial investments at fair value through profit or loss													
Unquoted securities	-	260,501	260,501	-	519,446	-	-	-	-	-	-	-	779,947
Financial investments at fair value through other comprehensive income													
Unquoted securities	508,225	(182,136)	326,089	-	-	197,846	533	-	(2,677)	(8,436)	-	-	513,355
Loans, advances and financing at fair value through profit or loss	-	-	-	-	9,943	-	386,867	-	-	140	-	-	396,950
Loans, advances and financing at fair value through other comprehensive income	-	3,816,059	3,816,059	-	-	46,364	6,203,564	-	(1,097,549)	-	-	-	8,968,438
Derivative assets													
Equity and commodity related contracts	479,534	-	479,534	238,048	(242,123)	-	120,274	-	(391,786)	-	-	-	203,947
Total Level 3 financial assets	<u>987,759</u>	<u>3,894,424</u>	<u>4,882,183</u>	<u>238,048</u>	<u>287,266</u>	<u>244,210</u>	<u>6,711,238</u>	<u>-</u>	<u>(1,492,012)</u>	<u>(8,296)</u>	<u>-</u>	<u>-</u>	<u>10,862,637</u>
Derivative liabilities													
Equity and commodity related contracts	(478,473)	-	(478,473)	243,703	(240,212)	-	(125,703)	-	396,738	-	-	-	(203,947)
Total Level 3 financial liabilities	<u>(478,473)</u>	<u>-</u>	<u>(478,473)</u>	<u>243,703</u>	<u>(240,212)</u>	<u>-</u>	<u>(125,703)</u>	<u>-</u>	<u>396,738</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(203,947)</u>
Total net Level 3 financial assets/(liabilities)	<u>509,286</u>	<u>3,894,424</u>	<u>4,403,710</u>	<u>481,751</u>	<u>47,054</u>	<u>244,210</u>	<u>6,585,535</u>	<u>-</u>	<u>(1,095,274)</u>	<u>(8,296)</u>	<u>-</u>	<u>-</u>	<u>10,658,690</u>

* Included within 'Other operating income', 'Allowances for/(writeback of) Impairment Losses on Financial Investments' and 'Income from Islamic Banking Scheme operations'.

Included within 'Other operating income' and 'Income from Islamic Banking Scheme operations'.

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A38. Fair Value Measurements of Financial Instruments (cont'd.)

Reconciliation of fair value measurements in Level 3 of the fair value hierarchy (cont'd.):

	At 1 January 2019 RM'000	Other gains recognised in income statements*	Unrealised gains/(losses) recognised in income statements#	Unrealised gains/(losses) recognised in other comprehensive income	Purchases/ Issuances/ Additions	Sales	Settlements	Exchange differences	Transfer into Level 3	Transfer out from Level 3	At 30 June 2019 RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financial investments at fair value through profit or loss											
Unquoted securities	600,549	-	-	-	-	-	-	-	-	-	600,549
Financial investments at fair value through other comprehensive income											
Unquoted securities	459,057	-	-	74,004	-	(5,782)	-	-	-	-	527,279
Loans, advances and financing at fair value through profit or loss											
	396,950	-	1,673	-	-	-	(29,563)	79	-	-	369,139
Loans, advances and financing at fair value through other comprehensive income											
	8,680,217	-	-	(49,340)	3,462,165	-	(1,586,540)	-	-	-	10,506,502
Derivative assets											
Equity and commodity related contracts	203,947	51,856	(83,097)	-	18,318	-	(75,224)	-	-	-	115,800
Total Level 3 financial assets	10,340,720	51,856	(81,424)	24,664	3,480,483	(5,782)	(1,691,327)	79	-	-	12,119,269
Derivative liabilities											
Equity and commodity related contracts	(203,947)	52,260	(83,097)	-	(1,425)	-	120,409	-	-	-	(115,800)
Total Level 3 financial liabilities	(203,947)	52,260	(83,097)	-	(1,425)	-	120,409	-	-	-	(115,800)
Total net Level 3 financial assets/(liabilities)	10,136,773	104,116	(164,521)	24,664	3,479,058	(5,782)	(1,570,918)	79	-	-	12,003,469

* Included within 'Other operating income' and 'Allowances for/(writeback of) Impairment Losses on Financial Investments'.

Included within 'Other operating income'.

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A38. Fair Value Measurements of Financial Instruments (cont'd.)

Reconciliation of fair value measurements in Level 3 of the fair value hierarchy (cont'd.):

<u>Bank</u>	At 1 January 2018 RM'000	Effect of adopting MFRS 9 RM'000	Restated as at 1 January 2018 RM'000	Other gains recognised in income statements* RM'000	Unrealised gains/(losses) recognised in income statements# RM'000	Unrealised gains recognised in other comprehensive income RM'000	Purchases/ Issuances/ Additions RM'000	Sales RM'000	Settlements RM'000	Exchange differences RM'000	Transfer into Level 3 RM'000	Transfer out from Level 3 RM'000	At 31 December 2018 RM'000
At 31 December 2018													
Financial investments at fair value through profit or loss													
Unquoted securities	-	91,562	91,562	-	508,987	-	-	-	-	-	-	-	600,549
Financial investments at fair value through other comprehensive income													
Unquoted securities	355,414	(91,562)	263,852	-	-	197,882	-	-	(2,677)	-	-	-	459,057
Loans, advances and financing at fair value through profit or loss													
	-	-	-	-	9,943	-	386,867	-	-	140	-	-	396,950
Loans, advances and financing at fair value through other comprehensive income													
	-	3,600,803	3,600,803	-	-	39,842	5,885,565	-	(845,993)	-	-	-	8,680,217
Derivative assets													
Equity and commodity related contracts	479,534	-	479,534	238,048	(242,123)	-	120,274	-	(391,786)	-	-	-	203,947
Total Level 3 financial assets	<u>834,948</u>	<u>3,600,803</u>	<u>4,435,751</u>	<u>238,048</u>	<u>276,807</u>	<u>237,724</u>	<u>6,392,706</u>	<u>-</u>	<u>(1,240,456)</u>	<u>140</u>	<u>-</u>	<u>-</u>	<u>10,340,720</u>

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A38. Fair Value Measurements of Financial Instruments (cont'd.)

Reconciliation of fair value measurements in Level 3 of the fair value hierarchy (cont'd.):

	At 1 January 2018 RM'000	Effect of adopting MFRS 9 RM'000	Restated as at 1 January 2018 RM'000	Other gains recognised in income statements*	Unrealised gains/(losses) recognised in income statements#	Unrealised gains recognised in other comprehensive income	Purchases/ Issuances/ Additions RM'000	Sales RM'000	Settlements RM'000	Exchange differences RM'000	Transfer into Level 3 RM'000	Transfer out from Level 3 RM'000	At 31 December 2018 RM'000
Bank													
At 31 December 2018													
Derivative liabilities													
Equity and commodity related contracts	(478,473)	-	(478,473)	243,703	(240,212)	-	(125,703)	-	396,738	-	-	-	(203,947)
Total Level 3 financial liabilities	(478,473)	-	(478,473)	243,703	(240,212)	-	(125,703)	-	396,738	-	-	-	(203,947)
Total net Level 3 financial assets/(liabilities)	356,475	3,600,803	3,957,278	481,751	36,595	237,724	6,267,003	-	(843,718)	140	-	-	10,136,773

* Included within 'Other operating income' and 'Allowances for/(writeback of) Impairment Losses on Financial Investments'.

Included within 'Other operating income'.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the end of the reporting period.

There were no transfers between Level 1 and Level 2 for the Group and the Bank during the financial half year ended 30 June 2019.

Movements in Level 3 financial instruments measured at fair value

There were no transfers into or out of Level 3 for the Group and the Bank during the financial half year ended 30 June 2019.

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A39. Credit Exposure Arising from Credit Transactions with Connected Parties

	Group		Bank	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Outstanding credit exposures with connected parties (RM'000)	13,437,070	14,665,381	22,987,367	23,098,379
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	1.6%	1.8%	5.0%	5.0%
Percentage of outstanding credit exposures to connected parties which is impaired* or in default	-	-	-	-

The credit exposures above are based on requirement of Paragraph 9.1 of Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties.

**Impaired refers to non-performing as stated in Paragraph 9.1 of Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties.*

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A40. Unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business

Pursuant to Paragraph 11.4(f) of Bank Negara Malaysia's Financial Reporting Policy issued on 2 February 2018, the breakdown of Unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business into Life Fund, Family Takaful Fund, General Takaful Fund, Shareholders' and General Fund are disclosed as follows:

(a) Unaudited Income Statements for the Financial Half Year Ended 30 June 2019

Group Six-Month Ended	Life Fund		Family Takaful Fund		General Takaful Fund		Shareholders' and General Fund		Total	
	30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
Interest income	249,482	213,069	239,409	219,810	37,927	32,566	113,764	110,562	640,582	576,007
Interest expense	-	-	-	-	-	-	(6,246)	(16,971)	(6,246)	(16,971)
Net interest income	249,482	213,069	239,409	219,810	37,927	32,566	107,518	93,591	634,336	559,036
Net earned insurance premiums	1,097,665	1,190,293	919,304	814,760	620,653	524,899	612,767	471,455	3,250,389	3,001,407
Other operating income/loss	586,148	(272,235)	359,254	(144,735)	6,604	(4,802)	144,514	(27,790)	1,096,520	(449,562)
Total operating income	1,933,295	1,131,127	1,517,967	889,835	665,184	552,663	864,799	537,256	4,981,245	3,110,881
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	(1,815,232)	(1,035,261)	(1,502,821)	(877,499)	(663,716)	(553,440)	(70,866)	(20,213)	(4,052,635)	(2,486,413)
Net operating income/(loss)	118,063	95,866	15,146	12,336	1,468	(777)	793,933	517,043	928,610	624,468
Overhead expenses	(116,739)	(95,347)	(14,719)	(11,612)	(154)	(9)	(328,063)	(288,714)	(459,675)	(395,682)
Operating profit/(loss) before impairment losses (Allowances for)/writeback of impairment losses on loans, advances, financing and other debts, net	1,324	519	427	724	1,314	(786)	465,870	228,329	468,935	228,786
(Allowances for)/writeback of impairment losses on financial investments, net	(974)	(156)	(341)	(765)	(1,160)	417	(4,114)	1,869	(6,589)	1,365
(Allowances for)/writeback of impairment on other financial assets, net	(225)	(1)	(86)	41	(154)	369	(558)	(568)	(1,023)	(159)
Operating profit	(125)	(362)	-	-	-	-	(9,119)	7,175	(9,244)	6,813
Share of profits in associates	-	-	-	-	-	-	452,079	236,805	452,079	236,805
Profit before taxation and zakat	-	-	-	-	-	-	452,079	236,805	452,079	236,805
Taxation and zakat	-	-	-	-	-	-	(147,171)	(80,580)	(147,171)	(80,580)
Profit for the period	-	-	-	-	-	-	304,908	156,225	304,908	156,225

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A40. Unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business (cont'd.)

Pursuant to Paragraph 11.4(f) of Bank Negara Malaysia's Financial Reporting Policy issued on 2 February 2018, the breakdown of Unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business into Life Fund, Family Takaful Fund, General Takaful Fund, Shareholders' and General Fund are disclosed as follows (cont'd.):

(b) Unaudited Statements of Financial Position as at 30 June 2019

Group	Life Fund		Family Takaful Fund		General Takaful Fund		Shareholders' and General Fund		Total	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS										
Cash and short-term funds	344,090	132,562	8,202	9,787	162,946	73,218	708,888	369,725	1,224,126	585,292
Deposits and placements with financial institutions	501,717	980,609	920,288	737,368	539	132,863	451,130	636,764	1,873,674	2,487,604
Financial investments at fair value through profit or loss	9,845,047	9,970,035	6,821,426	6,542,722	93,836	86,911	1,867,760	2,058,860	18,628,069	18,658,528
Financial investments at fair value through other comprehensive income	1,604,542	1,163,070	3,552,423	3,257,876	1,673,222	1,494,223	3,601,877	2,352,084	10,432,064	8,267,253
Loans, advances and financing	234,060	234,673	-	-	-	-	5,471	57,517	239,531	292,190
Derivative assets	7,368	4,647	-	-	-	-	168	81	7,536	4,728
Reinsurance/retakaful assets and other insurance receivables	101,429	91,112	92,391	73,802	327,883	298,697	3,734,508	3,336,436	4,256,211	3,800,047
Other assets	164,997	125,759	187,369	168,989	14,010	6,423	384,546	303,407	750,922	604,578
Investment properties	764,398	762,240	-	-	-	-	128,432	128,432	892,830	890,672
Interest in associates	-	-	-	-	-	-	152	152	152	152
Property, plant and equipment	83,053	86,256	-	-	-	-	53,765	54,709	136,818	140,965
Right-of-use assets	-	-	-	-	-	-	33,755	-	33,755	-
Intangible assets	48,892	43,949	-	-	-	-	49,177	51,863	98,069	95,812
Deferred tax assets	2,725	5,960	2,790	3,471	5,486	8,841	20,189	23,393	31,190	41,665
TOTAL ASSETS	13,702,318	13,600,872	11,584,889	10,794,015	2,277,922	2,101,176	11,039,818	9,373,423	38,604,947	35,869,486
LIABILITIES										
Derivative liabilities	14,975	14,168	-	-	-	-	401	33	15,376	14,201
Insurance/takaful contract liabilities and other insurance payables	11,582,358	10,407,488	11,264,101	10,313,387	1,918,780	1,789,053	4,708,814	4,343,174	29,474,053	26,853,102
Other liabilities #	2,089,207	3,157,901	282,064	480,726	348,961	310,265	(470,237)	(2,038,275)	2,249,995	1,910,617
Provision for taxation and zakat	(36,122)	(199)	(1,735)	(1,803)	-	-	43,802	284,373	5,945	282,371
Deferred tax liabilities	51,900	21,514	40,459	1,705	10,181	1,858	398,323	316,496	500,863	341,573
Subordinated obligations	-	-	-	-	-	-	-	301,189	-	301,189
TOTAL LIABILITIES	13,702,318	13,600,872	11,584,889	10,794,015	2,277,922	2,101,176	4,681,103	3,206,990	32,246,232	29,703,053
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE SUBSIDIARIES										
Share capital	-	-	-	-	-	-	660,865	660,865	660,865	660,865
Other reserves	-	-	-	-	-	-	5,697,850	5,505,568	5,697,850	5,505,568
	-	-	-	-	-	-	6,358,715	6,166,433	6,358,715	6,166,433
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	13,702,318	13,600,872	11,584,889	10,794,015	2,277,922	2,101,176	11,039,818	9,373,423	38,604,947	35,869,486

Included in other liabilities are the amounts due to/(from) life, general and investment-linked funds which are unsecured, not subject to any interest elements and are repayable on demand.

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A41. The Operations of Islamic Banking Scheme

A41a. Unaudited Income Statements for the Financial Half Year Ended 30 June 2019

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds	2,301,961	2,214,573	4,645,035	4,284,808
Income derived from investment of investment account funds	268,053	274,619	546,810	586,038
Income derived from investment of Islamic Banking Funds	123,248	131,284	254,465	238,641
Writeback of/(allowances for) impairment losses on financing and advances, net	26,819	(74,781)	71,230	(421,189)
(Allowances for)/writeback of impairment losses on financial investments, net	(1,291)	1,618	460	6,351
Writeback of impairment losses on other financial assets, net	47	16	6	178
Total distributable income	2,718,837	2,547,329	5,518,006	4,694,827
Profit distributed to depositors	(1,414,855)	(1,303,591)	(2,795,096)	(2,449,884)
Profit distributed to investment account holders	(144,272)	(144,067)	(309,328)	(327,641)
Total net income	1,159,710	1,099,671	2,413,582	1,917,302
Finance cost	(87,792)	(88,180)	(185,673)	(178,252)
Overhead expenses	(383,586)	(359,719)	(794,698)	(734,024)
Profit before taxation and zakat	688,332	651,772	1,433,211	1,005,026
Taxation	(157,709)	(154,490)	(335,427)	(287,456)
Zakat	675	919	(5,621)	(4,932)
Profit for the period	531,298	498,201	1,092,163	712,638

For consolidation and amalgamation with the conventional operations, net income from Islamic Banking Scheme comprises the following items:

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds	2,301,961	2,214,573	4,645,035	4,284,808
Income derived from investment of investment account funds	268,053	274,619	546,810	586,038
Income derived from investment of Islamic Banking Funds	123,248	131,284	254,465	238,641
Total income before allowances for impairment losses on financial assets and overhead expenses	2,693,262	2,620,476	5,446,310	5,109,487
Profit distributed to depositors	(1,414,855)	(1,303,591)	(2,795,096)	(2,449,884)
Profit distributed to investment account holders	(144,272)	(144,067)	(309,328)	(327,641)
	1,134,135	1,172,818	2,341,886	2,331,962
Finance cost	(87,792)	(88,180)	(185,673)	(178,252)
Net of intercompany income and expenses	356,597	275,495	743,345	554,437
Income from Islamic Banking Scheme	1,402,940	1,360,133	2,899,558	2,708,147

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A41. The Operations of Islamic Banking Scheme (cont'd.)

A41b. Unaudited Statements of Comprehensive Income for the Financial Half Year Ended 30 June 2019

<u>Group</u>	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
Profit for the period	531,298	498,201	1,092,163	712,638
Other comprehensive income/(loss):				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Defined benefit plan actuarial (loss)/gain	(12)	2	(589)	497
Income tax effect	3	-	147	(124)
	(9)	2	(442)	373
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net gain on foreign exchange translation	3,100	891	7,547	16,585
Net gain/(loss) on financial investments at fair value through other comprehensive income	130,586	(65,811)	264,124	(49,662)
- Net gain/(loss) from change in fair value	169,908	(88,457)	347,415	(74,897)
- Changes in expected credit losses	1,456	1,725	89	7,260
- Income tax effect	(40,778)	20,921	(83,380)	17,975
	133,686	(64,920)	271,671	(33,077)
Other comprehensive income/(loss) for the period, net of tax	133,677	(64,918)	271,229	(32,704)
Total comprehensive income for the period	664,975	433,283	1,363,392	679,934

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A41. The Operations of Islamic Banking Scheme (cont'd.)

A41c. Unaudited Statement of Financial Position as at 30 June 2019

<u>Group</u>	Note	30 June 2019 RM'000	31 December 2018 RM'000
ASSETS			
Cash and short-term funds		15,380,652	21,944,445
Deposits and placements with financial institutions		701,625	251,328
Financial investments at fair value through profit or loss		352,875	995,072
Financial investments at fair value through other comprehensive income		14,117,971	12,447,389
Financial investments at amortised cost		7,575,742	6,608,811
Financing and advances	A41e	181,410,455	174,288,168
Derivative assets		344,698	403,993
Other assets		5,807,026	4,835,851
Statutory deposit with central banks		4,541,698	4,205,000
Right-of-use assets		6,344	-
Deferred tax assets		6,209	30,143
Total Assets		230,245,295	226,010,200
LIABILITIES			
Customers' funding:			
- Deposits from customers	A41f	158,410,879	147,781,751
- Investment accounts of customers ¹	A41g	21,652,777	23,565,061
Deposits and placements from financial institutions		27,067,036	32,174,135
Financial liabilities at fair value through profit or loss	A41h	-	385,687
Bills and acceptances payable		12,154	11,050
Derivatives liabilities		256,809	391,949
Other liabilities		861,629	2,555,728
Deferred tax liabilities		60,095	-
Provision for taxation and zakat		15,729	35,826
Term funding	A41i	7,917,911	4,738,180
Subordinated sukuk	A41j	2,028,052	2,534,301
Capital securities	A41k	1,002,305	1,002,441
Total Liabilities		219,285,376	215,176,109
ISLAMIC BANKING CAPITAL FUNDS			
Islamic Banking Funds		7,479,918	7,473,540
Retained profits		2,624,819	3,050,868
Other reserves		855,182	309,683
		10,959,919	10,834,091
Total Liabilities and Islamic Banking Capital Funds		230,245,295	226,010,200
COMMITMENTS AND CONTINGENCIES			
		67,623,183	59,033,318

¹ Investment accounts of customers are used to fund financing and advances as disclosed in Note A41e(ii).

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A41. The Operations of Islamic Banking Scheme (cont'd.)

A41d. Unaudited Statements of Changes in Islamic Banking Capital Funds for the Financial Half Year Ended 30 June 2019

<u>Group</u>	-----Non-distributable----->							Total RM'000
	Islamic Banking Funds RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	Equity contribution from the holding company RM'000	Defined Benefit Reserve RM'000	Distributable Retained Profits RM'000	
At 1 January 2019	7,473,540	313,516	(5,865)	(473)	1,697	808	3,050,868	10,834,091
Profit for the period	-	-	-	-	-	-	1,092,163	1,092,163
Other comprehensive income/(loss)	-	-	264,124	7,547	-	(442)	-	271,229
Net gain on foreign exchange translation	-	-	-	7,547	-	-	-	7,547
Net gain on financial investments at fair value through other comprehensive income	-	-	264,124	-	-	-	-	264,124
Defined benefit plan actuarial loss	-	-	-	-	-	(442)	-	(442)
Total comprehensive income/(loss) for the period	-	-	264,124	7,547	-	(442)	1,092,163	1,363,392
Transfer from/(to) conventional banking operations	6,378	-	-	(6,985)	-	18	(3,343)	(3,932)
Transfer to regulatory reserve	-	281,237	-	-	-	-	(281,237)	-
Dividends paid	-	-	-	-	-	-	(1,233,632)	(1,233,632)
At 30 June 2019	7,479,918	594,753	258,259	89	1,697	384	2,624,819	10,959,919

¹This equity contribution reserve from holding company is pertaining to waiver of intercompany balance between respective subsidiaries and its holding company.

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A41. The Operations of Islamic Banking Scheme (cont'd.)

A41d. Unaudited Statements of Changes in Islamic Banking Capital Funds for the Financial Half Year Ended 30 June 2019 (cont'd.)

<u>Group</u>	-----Non-distributable----- ¹							Total RM'000
	Islamic Banking Funds RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	Equity contribution from the holding company RM'000	Defined Benefit Reserve RM'000	Distributable Retained Profits RM'000	
At 1 January 2018								
- as previously stated	5,769,752	508,700	(32,318)	(5,723)	1,697	448	3,499,853	9,742,409
- effect of adopting MFRS 9	-	(493,501)	1,350	-	-	-	(361,412)	(853,563)
At 1 January 2018, as restated	5,769,752	15,199	(30,968)	(5,723)	1,697	448	3,138,441	8,888,846
Profit for the period	-	-	-	-	-	-	712,638	712,638
Other comprehensive income	-	-	(49,662)	16,585	-	373	-	(32,704)
Net gain on foreign exchange translation	-	-	-	16,585	-	-	-	16,585
Net loss on financial investments at fair value through other comprehensive income	-	-	(49,662)	-	-	-	-	(49,662)
Defined benefit plan actuarial gain	-	-	-	-	-	373	-	373
Total comprehensive income for the period	-	-	(49,662)	16,585	-	373	712,638	679,934
Transfer to conventional banking operations	(16,087)	-	-	(10,267)	-	(25)	(1,616)	(27,995)
Transfer to regulatory reserve	-	148,382	-	-	-	-	(148,382)	-
Issue of ordinary shares	974,184	-	-	-	-	-	-	974,184
Dividends paid	-	-	-	-	-	-	(974,184)	(974,184)
At 30 June 2018	6,727,849	163,581	(80,630)	595	1,697	796	2,726,897	9,540,785

¹This equity contribution reserve from holding company is pertaining to waiver of intercompany balance between respective subsidiaries and its holding company.

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A41. The Operations of Islamic Banking Scheme (cont'd.)

A41e. Financing and Advances

	30 June 2019 RM'000	31 December 2018 RM'000
<u>Group</u>		
Financing and advances to customers:		
(A) Financing and advances to customers at fair value through other comprehensive income	459,531	471,122
(B) Financing and advances to customers at amortised cost	<u>276,121,747</u>	<u>271,246,935</u>
	276,581,278	271,718,057
Unearned income	(92,874,610)	(94,879,202)
Gross financing and advances	183,706,668	176,838,855
Allowances for impaired financing and advances:		
- Stage 1 - 12-month ECL	(379,995)	(510,311)
- Stage 2 - Lifetime ECL not credit impaired	(718,987)	(984,565)
- Stage 3 - Lifetime ECL credit impaired	(1,197,231)	(1,055,811)
Net financing and advances	<u>181,410,455</u>	<u>174,288,168</u>

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A41. The Operations of Islamic Banking Scheme (cont'd.)

A41e. Financing and Advances (cont'd.)

Group	Bai'^	Murabahah	Musarakah	Al-Ijarah	Ijarah	Istisna'	Others	Total
As at 30 June 2019	RM'000	RM'000	RM'000	Al-Bai (AITAB)	RM'000	RM'000	RM'000	Financing and Advances
				RM'000				RM'000
Cashline	-	6,346,238	-	-	-	-	-	6,346,238
Term financing								
- Housing financing	15,316,358	67,928,816	2,078,474	-	-	-	622	85,324,270
- Syndicated financing	-	1,550,851	-	-	-	-	-	1,550,851
- Hire purchase receivables	-	1,344,211	-	38,388,853	-	-	-	39,733,064
- Lease receivables	-	-	-	-	110,234	-	-	110,234
- Other term financing	14,805,039	103,732,653	788,400	-	-	123,182	20,355	119,469,629
Trust receipts	-	129,009	-	-	-	-	-	129,009
Claims on customers under acceptance credits	-	5,011,399	-	-	-	-	-	5,011,399
Staff financing	476,547	1,763,681	9,300	174,610	639	-	38,773	2,463,550
Credit card receivables	-	-	-	-	-	-	1,133,059	1,133,059
Revolving credit	-	15,284,042	-	-	-	-	-	15,284,042
Share margin financing	-	20,008	-	-	-	-	-	20,008
Financing to:								
- Directors of the Bank	-	3,830	-	377	-	-	98	4,305
- Directors of subsidiaries	-	1,620	-	-	-	-	-	1,620
	30,597,944	203,116,358	2,876,174	38,563,840	110,873	123,182	1,192,907	276,581,278
Unearned income								(92,874,610)
Gross financing and advances^^								183,706,668
Allowances for impaired financing and advances:								
- Stage 1 - 12-month ECL								(379,995)
- Stage 2 - Lifetime ECL not credit impaired								(718,987)
- Stage 3 - Lifetime ECL credit impaired								(1,197,231)
Net financing and advances								181,410,455

^ Bai' comprises of Bai' Bithaman Ajil, Bai' Al-Inah and Bai' Al-Dayn.

^^ Included in financing and advances are the underlying assets under the Restricted Profit Sharing Investment Account ("RPSIA") and Investment Accounts of Customers ("IA").

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A41. The Operations of Islamic Banking Scheme (cont'd.)

A41e. Financing and Advances (cont'd.)

Group	Bai'^	Murabahah	Musarakah	Al-Ijarah	Ijarah	Istisna'	Others	Total
As at 31 December 2018	RM'000	RM'000	RM'000	Al-Bai (AITAB)	RM'000	RM'000	RM'000	Financing
				RM'000				and
								Advances
								RM'000
Cashline	-	6,113,118	-	-	-	126	-	6,113,244
Term financing								
- Housing financing	15,968,002	65,870,117	2,140,367	-	-	-	627	83,979,113
- Syndicated financing	-	1,432,287	-	-	-	-	-	1,432,287
- Hire purchase receivables	-	224,525	-	37,895,766	-	-	-	38,120,291
- Lease receivables	-	-	-	-	9,450	-	-	9,450
- Other term financing	17,475,558	99,485,955	563,979	-	102,001	127,395	17,280	117,772,168
Bills receivables	-	163	-	-	-	-	799	962
Trust receipts	-	145,613	-	-	-	-	-	145,613
Claims on customers under acceptance credits	-	4,921,799	-	-	-	-	-	4,921,799
Staff financing	517,202	1,670,905	8,965	156,713	2,539	-	52,723	2,409,047
Credit card receivables	-	-	-	-	-	-	1,104,219	1,104,219
Revolving credit	-	15,681,860	-	-	-	-	-	15,681,860
Share margin financing	-	22,322	-	-	-	-	-	22,322
Financing to:								
- Directors of the Bank	-	2,503	-	465	-	-	8	2,976
- Directors of subsidiaries	-	2,030	-	676	-	-	-	2,706
	<u>33,960,762</u>	<u>195,573,197</u>	<u>2,713,311</u>	<u>38,053,620</u>	<u>113,990</u>	<u>127,521</u>	<u>1,175,656</u>	<u>271,718,057</u>
Unearned income								(94,879,202)
Gross financing and advances^^								<u>176,838,855</u>
Allowances for impaired financing and advances:								
- Stage 1 - 12-month ECL								(510,311)
- Stage 2 - Lifetime ECL not credit impaired								(984,565)
- Stage 3 - Lifetime ECL credit impaired								(1,055,811)
Net financing and advances								<u>174,288,168</u>

^ Bai' comprises of Bai-Bithaman Ajil, Bai Al-Inah and Bai-Al-Dayn.

^^ Included in financing and advances are the underlying assets under the Restricted Profit Sharing Investment Account ("RPSIA") and Investment Accounts of Customers ("IA").

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A41. The Operations of Islamic Banking Scheme (cont'd.)

A41e. Financing and Advances (cont'd.)

(i) Movements in the impaired financing and advances ("impaired financing") are as follows:

<u>Group</u>	30 June 2019 RM'000	31 December 2018 RM'000
At 1 January		
- as previously stated	2,094,107	1,755,299
- effect of adopting MFRS 9	-	121,438
At 1 January, as restated	2,094,107	1,876,737
Newly impaired	869,406	1,367,882
Reclassified as non-impaired	(88,026)	(228,568)
Amount recovered	(23,607)	(444,519)
Amount written-off	(208,695)	(442,632)
Transferred to holding company	-	(34,496)
Exchange differences	-	(297)
Gross impaired financing at 30 June 2019/31 December 2018	2,643,185	2,094,107
Less: Stage 3 - Lifetime ECL credit impaired	(1,197,231)	(1,055,811)
Net impaired financing at 30 June 2019/31 December 2018	1,445,954	1,038,296
<u>Calculation of ratio of net impaired financing:</u>		
Gross impaired financing at 30 June 2019/31 December 2018 (excluding financing funded by RPSIA and IA)	2,528,841	2,030,688
Less: Stage 3 - Lifetime ECL credit impaired	(1,197,231)	(1,055,811)
Net impaired financing at 30 June 2019/31 December 2018	1,331,610	974,877
Gross financing and advances (excluding financing funded by RPSIA and IA)	146,056,242	137,331,642
Less: Allowances for impaired financing and advances at amortised cost and at fair value through other comprehensive income	(2,300,227)	(2,555,886)
Net financing and advances	143,756,015	134,775,756
Net impaired financing as a percentage of net financing and advances	0.93%	0.72%

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A41. The Operations of Islamic Banking Scheme (cont'd.)

A41e. Financing and Advances (cont'd.)

(ii) Movements in the allowances for impairment losses on financing and advances are as follows:

At fair value through other comprehensive income

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Group				
At 30 June 2019				
At 1 January 2019	1,399	3,800	-	5,199
Changes in models/risk parameters	(690)	(495)	-	(1,185)
At 30 June 2019	<u>709</u>	<u>3,305</u>	<u>-</u>	<u>4,014</u>

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Group				
At 31 December 2018				
At 1 January 2018				
- effect of adopting MFRS 9	522	-	-	522
At 1 January 2018, as restated	522	-	-	522
Net remeasurement of allowances	45	-	-	45
New financial assets originated or purchased	1,354	3,800	-	5,154
Financial assets derecognised	(522)	-	-	(522)
At 31 December 2018	<u>1,399</u>	<u>3,800</u>	<u>-</u>	<u>5,199</u>

At amortised cost

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Group				
At 30 June 2019				
At 1 January 2019	510,311	984,565	1,055,811	2,550,687
Transferred to Stage 1	168,834	(161,582)	(7,252)	-
Transferred to Stage 2	(22,455)	54,665	(32,210)	-
Transferred to Stage 3	(1,215)	(66,628)	67,843	-
Net remeasurement of allowances*	(148,484)	51,736	689,408	592,660
New financial assets originated or purchased	87,291	75,670	-	162,961
Financial assets derecognised	(44,824)	(105,323)	(368,282)	(518,429)
Changes in models/risk parameters	(170,586)	(114,131)	1,683	(283,034)
Amount written-off	-	-	(208,695)	(208,695)
Transferred from holding company	-	-	(1,075)	(1,075)
Exchange differences	1,123	15	-	1,138
At 30 June 2019	<u>379,995</u>	<u>718,987</u>	<u>1,197,231</u>	<u>2,296,213</u>

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A41. The Operations of Islamic Banking Scheme (cont'd.)

A41e. Financing and Advances (cont'd.)

(ii) Movements in the allowances for impairment losses on financing and advances are as follows (cont'd.):

At amortised cost (cont'd.)

Group	Stage 1	Stage 2	Stage 3	Total ECL
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
At 31 December 2018	RM'000	RM'000	RM'000	RM'000
At 1 January 2018				
- as previously stated - MFRS 139				1,487,135
- effect of adopting MFRS 9				1,076,449
At 1 January 2018, as restated	409,534	1,061,080	1,092,970	2,563,584
Transferred to Stage 1	410,336	(263,234)	(147,102)	-
Transferred to Stage 2	(32,812)	69,092	(36,280)	-
Transferred to Stage 3	(2,942)	(96,473)	99,415	-
Net remeasurement of allowances*	(329,067)	180,529	723,244	574,706
New financial assets originated or purchased	194,867	128,773	-	323,640
Financial assets derecognised	(70,166)	(88,990)	(270,168)	(429,324)
Changes in models/risk parameters	(69,473)	(6,644)	(1,683)	(77,800)
Amount written-off	-	-	(442,632)	(442,632)
Transferred to holding company	-	-	37,371	37,371
Exchange differences	34	432	676	1,142
At 31 December 2018	510,311	984,565	1,055,811	2,550,687

* As at 30 June 2019, the gross exposure of the financing funded by RPSIA was RM15,997.7 million (31 December 2018: RM15,942.2 million). The expected credit loss relating to these financing amounting to RM151.4 million (31 December 2018: RM274.5 million) are recognised in the Group's conventional banking operations.

The gross exposure of the financing funded by IA as at 30 June 2019 was RM21,652.8 million (31 December 2018: RM23,565.1 million). The expected credit loss relating to financing funded by IA are not recognised in the financial statements of the Group, but is charged to and borne by the investors.

A41f. Deposits from Customers

Group	30 June 2019 RM'000	31 December 2018 RM'000
Savings deposit		
Qard	17,039,706	16,081,568
Demand deposit		
Qard	18,722,693	18,403,934
Term deposit		
Murabahah	120,622,007	111,692,152
Qard	2,026,473	1,604,097
	122,648,480	113,296,249
Total deposits from customers	158,410,879	147,781,751

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A41. The Operations of Islamic Banking Scheme (cont'd.)

A41g. Investment Accounts of Customers

<u>Group</u>	30 June 2019 RM'000	31 December 2018 RM'000
Mudharabah		
Unrestricted Investment accounts	21,532,217	23,445,562
Restricted Investment accounts*	<u>120,560</u>	<u>119,499</u>
	<u>21,652,777</u>	<u>23,565,061</u>

* Net of credit losses associated with the financing assets funded by the Restricted Investment Accounts.

(i) Investment accounts are sourced from the following customers:

<u>Group</u>	Unrestricted investment accounts RM'000	Restricted investment accounts RM'000	Total investment accounts RM'000
As at 30 June 2019			
Business enterprises	10,395,460	120,560	10,516,020
Individuals	9,767,779	-	9,767,779
Government and statutory bodies	118,467	-	118,467
Others	1,250,511	-	1,250,511
	<u>21,532,217</u>	<u>120,560</u>	<u>21,652,777</u>
As at 31 December 2018			
Business enterprises	11,814,357	119,499	11,933,856
Individuals	10,475,578	-	10,475,578
Government and statutory bodies	128,414	-	128,414
Others	1,027,213	-	1,027,213
	<u>23,445,562</u>	<u>119,499</u>	<u>23,565,061</u>

(ii) Maturity structure of investment accounts are as follows:

<u>Group</u>	Unrestricted investment accounts RM'000	Restricted investment accounts RM'000	Total investment accounts RM'000
As at 30 June 2019			
- without maturity	12,800,886	-	12,800,886
- with maturity			
Due within six months	7,286,416	120,560	7,406,976
Six months to one year	1,429,184	-	1,429,184
One year to three years	3,224	-	3,224
Three years to five years	12,507	-	12,507
	<u>8,731,331</u>	<u>120,560</u>	<u>8,851,891</u>
Total investment accounts of customers	<u>21,532,217</u>	<u>120,560</u>	<u>21,652,777</u>

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A41. The Operations of Islamic Banking Scheme (cont'd.)

A41g. Investment Accounts of Customers (cont'd.)

(ii) Maturity structure of investment accounts are as follows (cont'd.):

<u>Group</u>	Unrestricted investment accounts RM'000	Restricted investment accounts RM'000	Total investment accounts RM'000
As at 31 December 2018			
- without maturity	13,067,406	-	13,067,406
- with maturity			
Due within six months	8,233,509	119,499	8,353,008
Six months to one year	2,125,559	-	2,125,559
One year to three years	5,176	-	5,176
Three years to five years	13,912	-	13,912
	<u>10,378,156</u>	<u>119,499</u>	<u>10,497,655</u>
Total investment accounts of customers	<u>23,445,562</u>	<u>119,499</u>	<u>23,565,061</u>

(iii) The allocations of investment asset are as follows:

<u>Group</u>	Unrestricted investment accounts RM'000	Restricted investment accounts RM'000	Total investment accounts RM'000
As at 30 June 2019			
Retail financing	19,731,415	-	19,731,415
Non-retail financing	1,800,802	120,560	1,921,362
	<u>21,532,217</u>	<u>120,560</u>	<u>21,652,777</u>
As at 31 December 2018			
Retail financing	21,644,759	-	21,644,759
Non-retail financing	1,800,803	119,499	1,920,302
	<u>23,445,562</u>	<u>119,499</u>	<u>23,565,061</u>

(iv) Profit sharing ratio and rate of return are as follows:

<u>Group</u>	<u>Investment account holder ("IAH")</u>	
	Average profit sharing ratio (%)	Average rate of return (%)
As at 30 June 2019		
Unrestricted investment accounts	54.62	2.80
Restricted investment accounts	<u>99.95</u>	<u>4.27</u>
As at 31 December 2018		
Unrestricted investment accounts	55.00	2.82
Restricted investment accounts	<u>99.95</u>	<u>4.31</u>

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A41. The Operations of Islamic Banking Scheme (cont'd.)

A41h. Financial Liabilities at Fair Value Through Profit or Loss

<u>Group</u>	30 June 2019 RM'000	31 December 2018 RM'000
Structured deposits	-	385,687

The carrying amount of structured deposits designated at fair value through profit or loss of the Group as at 30 June 2019 was nil (31 December 2018: RM384,986,000). The fair value changes of the financial liabilities that are attributable to the changes in own credit risk are not significant.

A41i. Term Funding

<u>Group</u>	30 June 2019 RM'000	31 December 2018 RM'000
Unsecured term funding:		
(i) Commercial Papers		
- Less than one year	5,914,919	2,734,958
(ii) Medium Term Notes		
- More than one year	2,002,992	2,003,222
	<u>2,002,992</u>	<u>2,003,222</u>
Total term funding	<u>7,917,911</u>	<u>4,738,180</u>

A41j. Subordinated Sukuk

<u>Group</u>	30 June 2019 RM'000	31 December 2018 RM'000
RM1.5 billion Islamic subordinated Sukuk Murabahah due in 2024	-	1,516,593
RM1.0 billion Islamic subordinated Sukuk Murabahah due in 2026	1,017,326	1,017,708
RM1.0 billion Islamic subordinated Sukuk Murabahah due in 2029	1,010,726	-
	<u>2,028,052</u>	<u>2,534,301</u>

A41k. Capital Securities

<u>Group</u>	30 June 2019 RM'000	31 December 2018 RM'000
RM1.0 billion Additional Tier 1 Sukuk Wakalah	<u>1,002,305</u>	<u>1,002,441</u>

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A42. Financial Effects arising from Adoption of MFRS 16 Leases

- (i) The adoption of MFRS 16 resulted in the following financial effects to the statement of financial position of the Group and of the Bank.

Extract of Statements of Financial Position

	31 December 2018 RM'000	Reclassification RM'000	Modified retrospective approach RM'000	1 January 2019 RM'000
Group				
ASSETS				
Other assets ¹	9,873,340	-	(56,095)	9,817,245
Property, plant and equipment ²	2,495,825	(275,363)	-	2,220,462
Right-of-use assets ³	-	275,363	1,332,561	1,607,924
LIABILITIES				
Other liabilities ⁴	21,788,671	-	1,276,466	23,065,137
Bank				
ASSETS				
Other assets ¹	5,267,285	-	(4,390)	5,262,895
Right-of-use assets ³	-	-	460,839	460,839
LIABILITIES				
Other liabilities ⁵	7,341,061	-	456,449	7,797,510

¹ Derecognition of prepayments related to previous operating leases.

² Previously recognised as finance leases under MFRS 117 *Leases*.

³ Recognition of right-of-use assets.

⁴ Recognition of additional lease liabilities, provision for restoration costs and derecognition of accrued rental expenses.

⁵ Recognition of additional lease liabilities and provision for restoration costs.

- (ii) The following table analyses the impact of Capital Adequacy Ratios of the Group and of the Bank:

	31 December 2018	Impact of adopting MFRS 16	1 January 2019
Group			
CET1 Capital (RM'000)	56,300,466	-	56,300,466
Tier 1 Capital (RM'000)	59,871,648	-	59,871,648
Total Capital (RM'000)	71,263,950	-	71,263,950
Risk Weighted Assets (RM'000)	374,606,000	1,248,752	375,854,752
CET1 Capital Ratio	15.029%	(0.050%)	14.979%
Tier 1 Capital Ratio	15.983%	(0.053%)	15.929%
Total Capital Ratio	19.024%	(0.063%)	18.961%
Bank			
CET1 Capital (RM'000)	30,893,680	-	30,893,680
Tier 1 Capital (RM'000)	33,393,680	-	33,393,680
Total Capital (RM'000)	41,018,052	-	41,018,052
Risk Weighted Assets (RM'000)	224,559,240	456,449	225,015,689
CET1 Capital Ratio	13.757%	(0.028%)	13.730%
Tier 1 Capital Ratio	14.871%	(0.030%)	14.841%
Total Capital Ratio	18.266%	(0.037%)	18.229%

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Part B: Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B1. Performance Review

(i) Current Period-to-Date vs Previous Corresponding Period-to-Date

The Group posted profit after tax and zakat attributable to equity holders of RM3,750.1 million for the six-month financial period ended 30 June 2019, a decrease of RM79.9 million or 2.1% compared to the previous corresponding six-month financial period ended 30 June 2018.

The Group's net interest income and Islamic Banking income for the six-month financial period ended 30 June 2019 increased by RM62.6 million or 0.7% to RM8,750.7 million compared to the previous corresponding six-month financial period ended 30 June 2018.

The Group's net earned insurance premiums from the Insurance and Takaful subsidiaries increased by RM249.0 million or 8.3% to RM3,250.4 million for the six-month financial period ended 30 June 2019 compared to the previous corresponding six-month financial period ended 30 June 2018.

Other operating income of the Group for the six-month financial period ended 30 June 2019 was RM3,657.7 million, an increase of RM1,348.1 million or 58.4% from RM2,309.6 million in the previous corresponding six-month financial period ended 30 June 2018. The increase was mainly contributed by unrealised mark-to-market gain on revaluation of financial assets/liabilities at FVTPL, derivatives and loan, advances and financing of RM418.8 million for the six-month financial period ended 30 June 2019 as compared to unrealised mark-to-market loss on revaluation of financial assets/liabilities at FVTPL and derivatives of RM343.3 million in the previous corresponding six-month financial period ended 30 June 2018 and higher net gain in investment income of RM572.4 million.

The Group's overhead expenses for the six-month financial period ended 30 June 2019 recorded an increase of RM182.9 million or 3.4% to RM5,629.3 million compared to the previous corresponding six-month financial period ended 30 June 2018. The increase in overhead expenses was mainly due to higher personnel expenses of RM202.2 million, higher marketing expenses of RM26.5 million and higher establishment costs of RM16.7 million. The increase was, however, mitigated by lower administration and general expenses of RM62.6 million.

The Group's allowances for impairment losses on loans, advances, financing and other debts decreased by RM95.8 million or 8.8% to RM995.6 million for the six-month financial period ended 30 June 2019.

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B1. Performance Review (cont'd.)

(i) Current Period-to-Date vs Previous Corresponding Period-to-Date (cont'd.)

The Group's profit before taxation and zakat for the six-month financial period ended 30 June 2019 compared to the previous corresponding six-month financial period ended 30 June 2018 is further segmented based on the operating segments of the Group as follows:

Group Community Financial Services ("Group CFS")

Group CFS's profit before taxation and zakat increased by RM141.6 million or 4.7% to RM3,147.3 million for six-month financial period ended 30 June 2019 from RM3,005.7 million for the previous corresponding six-month financial period ended 30 June 2018. The increase was mainly due to net writeback of impairment losses on loans, advances, financing and other debts of RM145.8 million from net allowance of RM180.7 million and higher other operating income of RM16.3 million. The increase was, however, offset by higher overhead expenses of RM157.5 million, lower net interest income and income from IBS operations of RM43.5 million.

Group Global Banking

a) Group Corporate Banking & Global Markets

Group Corporate Banking & Global Markets' profit before taxation and zakat decreased by RM90.8 million or 4.5% to RM1,914.1 million for the six-month financial period ended 30 June 2019 from RM2,004.9 million for the previous corresponding six-month financial period ended 30 June 2018. The decrease was mainly due to higher net allowances for impairment losses on loans, advances, financing and other debts of RM210.4 million and net allowances for impairment losses on financial investments and other financial assets of RM68.2 million from net writeback of RM43.1 million. The decrease was, however, mitigated by higher net interest income and income from IBS operations of RM75.4 million, lower overhead expenses of RM69.1 million, higher other operating income of RM55.9 million and higher share of profits in associates and joint ventures of RM30.6 million.

b) Group Investment Banking (Maybank IB and Maybank Kim Eng)

Group Investment Banking's profit before taxation and zakat decreased by RM193.6 million to RM14.9 million for the six-month financial period ended 30 June 2019 from RM208.5 million for the previous corresponding six-month financial period ended 30 June 2018. The decrease was mainly due to lower other operating income of RM151.4 million, lower net interest income and income from IBS operations of RM33.5 million and lower net writeback of impairment losses on loans, advances, financing and other debts of RM12.4 million. The decrease was, however, mitigated by lower overhead expenses of RM3.5 million.

c) Group Asset Management

Group Asset Management recorded a profit before taxation and zakat of RM29.3 million for the six-month financial period ended 30 June 2019 compared to a loss before taxation and zakat of RM32.8 million for the previous corresponding six-month financial period ended 30 June 2018. The profit was mainly due to higher other operating income of RM70.1 million, lower allowances for impairment losses on financial investments and other financial assets of RM20.4 million and higher net interest income and income from IBS operations of RM3.1 million. This profit was, however, offset by higher overhead expenses of RM31.5 million.

Group Insurance and Takaful

Group Insurance and Takaful's profit before taxation and zakat increased by RM212.5 million or 86.8% to RM457.4 million for the six-month financial period ended 30 June 2019 from RM244.9 million for the previous corresponding six-month financial period ended 30 June 2018. The increase was contributed mainly by higher other operating income of RM1,545.5 million, higher net earned insurance premiums of RM249.0 million and higher net interest income of RM75.6 million. The increase was, however offset by higher net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund of RM1,566.2 million and higher overhead expenses of RM66.5 million, higher allowances for impairment losses on financial investments and other financial assets of RM17.0 million and higher allowance for impairment losses on loans, advances, financing and other debts of RM7.9 million.

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B1. Performance Review (cont'd.)

(ii) Current Quarter vs Previous Period Corresponding Quarter

The Group posted profit after tax attributable to equity holders of RM1,940.9 million for the quarter ended 30 June 2019, a decrease of RM18.1 million or 0.9% compared to the previous period corresponding quarter ended 30 June 2018.

The Group's net interest income and Islamic Banking income for the quarter ended 30 June 2019 decreased by RM19.6 million or 0.5% compared to the previous period corresponding quarter ended 30 June 2018.

The Group's net earned insurance premiums from the Insurance and Takaful subsidiaries for the quarter ended 30 June 2019 increased by RM133.8 million or 9.0% to RM1,623.8 million compared to the previous period corresponding quarter ended 30 June 2018.

The Group's other operating income increased by RM971.8 million to RM1,979.8 million for the quarter ended 30 June 2019 compared to the previous period corresponding quarter ended 30 June 2018. The increase was mainly contributed by net gain in investment income of RM407.2 million for the quarter ended 30 June 2019 as compared to net loss in investment income of RM65.8 million for the previous period corresponding quarter ended 30 June 2018 and unrealised mark-to-market gain on revaluation of financial assets/liabilities at FVTPL, derivatives and loan, advances and financing of RM148.2 million for the quarter ended 30 June 2019 as compared to unrealised mark-to-market loss on revaluation of financial assets/liabilities at FVTPL and derivatives of RM337.8 million for the previous period corresponding quarter ended 30 June 2018.

The Group's net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund for the quarter ended 30 June 2019 increased by RM1,014.7 million to RM2,014.4 million compared to the previous period corresponding quarter ended 30 June 2018. The increase was mainly attributable to higher net insurance benefits and claims incurred by the Insurance and Takaful subsidiaries of RM893.3 million.

The Group's overhead expenses for the quarter ended 30 June 2019 increased by RM142.9 million or 5.3% compared to the previous period corresponding quarter ended 30 June 2018. The increase was mainly contributed by the increase in personnel expenses of RM106.0 million, higher establishment costs of RM32.6 million and marketing expenses of RM28.6 million. The increase was, however, mitigated by lower administration and general expenses of RM24.3 million.

The Group's allowances for impairment losses on loans, advances, financing and other debts decreased by RM190.5 million to RM391.6 million for the quarter ended 30 June 2019 compared to the previous period corresponding quarter ended 30 June 2018.

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B1. Performance Review (cont'd.)

(ii) Current Quarter vs Previous Period Corresponding Quarter (cont'd.)

The Group's profit before taxation and zakat for the quarter ended 30 June 2019 compared to the previous period corresponding quarter ended 30 June 2018 is further segmented based on the operating segments of the Group as follows:

Group Community Financial Services ("Group CFS")

Group CFS's profit before taxation and zakat decreased by RM8.6 million or 0.5% to RM1,601.1 million for the quarter ended 30 June 2019 from RM1,609.7 million for the previous period corresponding quarter ended 30 June 2018. The decrease was mainly due to higher overhead expenses of RM104.5 million and lower net interest income and income from IBS operations of RM83.3 million. The decrease was, however, mitigated by net writeback of impairment losses on loans, advances, financing and other debts of RM149.3 million from net allowance of RM27.6 million.

Group Global Banking

a) Group Corporate Banking & Global Markets

Group Corporate Banking & Global Markets's profit before taxation and zakat increased by RM13.6 million or 1.4% to RM977.9 million for the quarter ended 30 June 2019 from RM964.3 million for the previous period corresponding quarter ended 30 June 2018. The increase was mainly due to higher other operating income of RM46.4 million, lower overhead expenses of RM8.5 million, lower allowance for impairment losses on loans, advances, financing and other debts of RM23.8 million and higher share of profits in associates and joint ventures of RM4.0 million. The increase was, however, offset by net allowance for impairment losses on financial investments and other financial assets of RM38.8 million from net writeback of RM19.6 million and lower net interest income and income from IBS operations of RM10.7 million.

b) Group Investment Banking (Maybank IB and Maybank Kim Eng)

Group Investment Banking's profit before taxation and zakat decreased by RM41.5 million or 77.8% to RM11.8 million for the quarter ended 30 June 2019 from RM53.3 million for the previous period corresponding quarter ended 30 June 2018. The decrease was mainly due to lower other operating income of RM46.5 million and higher allowance for impairment losses on loans, advances, financing and other debts of RM8.0 million. The decrease was, however, mitigated by higher net interest income and income from IBS operations of RM13.1 million and higher writeback of impairment losses on financial investments and other financial assets of RM1.2 million.

c) Group Asset Management

Group Asset Management's profit before taxation and zakat increased by RM3.6 million to RM10.8 million for the quarter ended 30 June 2019 from RM7.2 million for the previous period corresponding quarter ended 30 June 2018. The increase was mainly due to higher other operating income of RM7.2 million and higher net interest income and income from IBS operations of RM1.4 million. The increase was, however, offset by higher overhead expenses of RM5.1 million.

Group Insurance and Takaful

Group Insurance and Takaful's profit before taxation and zakat increased by RM74.7 million or 54.9% to RM210.8 million for the quarter ended 30 June 2019 from RM136.1 million for the previous period corresponding quarter ended 30 June 2018. The increase was contributed mainly by higher other operating income of RM980.1 million, higher net earned insurance premiums of RM133.8 million and higher net interest income and income from IBS operations of RM41.5 million. The increase was, however, offset by higher net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund of RM1,028.8 million, higher overhead expenses of RM41.1 million, higher allowance for impairment losses on financial investments and other financial assets of RM8.6 million and higher allowance for impairment losses on loans, advances, financing and other debts of RM2.2 million.

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B2. Variation of Current Quarter Results Against Preceding Quarter

The Group's profit after tax and zakat attributable to equity holders for the quarter ended 30 June 2019 increased by RM131.6 million to RM1,940.9 million against the preceding quarter ended 31 March 2019 of RM1,809.3 million.

The Group's net interest income for the quarter ended 30 June 2019 decreased by RM55.9 million to RM2,897.6 million against the preceding quarter of RM2,953.5 million. Income from Islamic Banking Scheme operations decreased by RM93.7 million to RM1,402.9 million for the quarter ended 30 June 2019 compared to RM1,496.6 million in the preceding quarter ended 31 March 2019.

The Group's net earned insurance premiums for the quarter ended 30 June 2019 decreased by RM2.7 million to RM1,623.8 million compared to RM1,626.5 million in the preceding quarter ended 31 March 2019.

Other operating income of the Group for the quarter ended 30 June 2019 increased by RM301.9 million to RM1,979.8 million compared to RM1,677.9 million in the preceding quarter ended 31 March 2019. The increase was mainly due to higher net investment income of RM218.6 million, higher realised gain on derivatives of RM128.0 million and fee income of RM32.1 million. The increase, however, was offset by lower unrealised mark-to-market gain on revaluation of financial assets/liabilities at FVTPL, derivatives and loans, advances and financing by RM122.5 million.

The Group's net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund increased by RM119.9 million to RM2,014.4 million for the quarter ended 30 June 2019 compared to RM1,894.5 million in the preceding quarter ended 31 March 2019. The increase was mainly attributable to higher net insurance benefits and claims incurred by the Insurance and Takaful subsidiaries of RM58.4 million.

The Group posted an increase of RM14.1 million in overhead expenses to RM2,821.7 million for the quarter ended 30 June 2019 compared to RM2,807.6 million in the preceding quarter ended 31 March 2019. The increase was mainly due to higher administration and general expenses of RM26.7 million, higher marketing expenses of RM10.3 million, higher establishment costs of RM7.4 million and lower personnel expenses of RM30.3 million.

The Group's allowance for impairment losses on loans, advances, financing and other debts decreased by RM212.4 million to RM391.6 million for the quarter ended 30 June 2019 compared to RM604.0 million in the preceding quarter ended 31 March 2019.

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B3. Prospects

Global GDP growth is expected to ease in 2019 to +3.2% from +3.6% in 2018 amid fallout from the US-China trade war disrupting global trade flows. The slowdown in global GDP growth is expected to be led by major advanced economies including the US (2019E: +2.5%; 2018: +2.9%) and Eurozone (2019E: +1.2%; 2018: +1.9%), as well as large emerging markets such as China (2019E: +6.2%; 2018: +6.6%), Brazil (2019E: +1.1%; 2018: +1.1%) and Russia (2019E: +1.2%; 2018: +2.3%).

A similar pace of growth is also projected for the ASEAN-6 countries (2019E: +4.2%; 2018: +5.0%) in line with global trend. This affects Maybank Group's three home markets.

Malaysia is expected to chart growth at +4.4% in 2019 (2018: +4.7%). However, recovery in the mining and agriculture sectors as well as stimulus to domestic demand from BNM's interest rate cut in May 2019 and the revival of major infrastructure projects and Government development spending previously put under review are seen as constructive for the economy.

Within the ASEAN region, Singapore would be the most impacted by the US-China trade tension given the openness of its economy, as growth is forecasted to expand by a marginal +0.6% in 2019 (2018: +3.1%). This has prompted the Government to announce the first deficit spending in four years in Budget 2019.

Indonesia's economy is expected to grow at +5.0% in 2019 (2018: +5.2%), supported by consumer spending and continuity in pro-growth policies that include investment promotion and infrastructure spending following the completion of the presidential election in April 2019.

Against the backdrop of a moderating global growth and uncertainty over trade tensions, Maybank Group will maintain its balance sheet expansion in line with the respective GDP growth in its three home markets and in tandem with the Group's risk posture. Maybank Group will continue building on its diversified franchise and footprint to expand income streams through cross business collaborations and from focusing on diligent pricing of its assets and liabilities.

Other key on-going priorities for Maybank Group in 2019 include our emphasis to improve productivity drivers, up-skilling of our workforce to be ready for a digital economy, proactively manage asset quality in line with new accounting standards (MFRS 9) and prioritising capital and liquidity strength given increasing capital markets volatility and global macroeconomic headwinds.

Barring any unforeseen circumstances, the Group expects its financial performance for 2019 to be satisfactory in line with the expected growth prospects of its key home markets. The Group is lowering its Headline Key Performance Indicator ("KPI") for Return on Equity ("ROE") to between 10.0% and 10.5%, premised on a lower interest rate environment and slowing economic growth in key operating markets.

B4. Profit Forecast or Profit Guarantee

Neither the Group nor the Bank has made any profit forecast or issued any profit guarantee for the financial half year ended 30 June 2019.

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B5. Taxation and Zakat

The analysis of the tax expense for the financial half year ended 30 June 2019 are as follows:

<u>Group</u>	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
Malaysian income tax	606,317	661,729	949,547	1,253,929
Foreign income tax	69,604	123,410	147,494	225,193
	675,921	785,139	1,097,041	1,479,122
Over provision in respect of prior period:				
Malaysian income tax	-	(33)	-	(33)
Foreign income tax	(4,646)	(2,597)	(9,979)	(8,568)
	671,275	782,509	1,087,062	1,470,521
Deferred tax				
- Relating to origination and reversal of temporary differences	(6,376)	(170,641)	141,677	(208,978)
Tax expense for the financial period	664,899	611,868	1,228,739	1,261,543
Zakat	(1,392)	2,775	10,382	10,280
	663,507	614,643	1,239,121	1,271,823

The Group's effective tax rate for the financial half year ended 30 June 2019 was lower than the statutory tax rate due to the effects of lower tax rates in other tax jurisdictions and certain income not subject to tax.

<u>Bank</u>	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
Malaysian income tax	385,337	486,168	512,116	842,646
Foreign income tax	1,346	(1,105)	3,864	1,693
	386,683	485,063	515,980	844,339
Over provision in respect of prior period:				
Foreign income tax	(4,799)	(8,228)	(5,554)	(8,113)
	381,884	476,835	510,426	836,226
Deferred tax				
- Relating to origination and reversal of temporary differences	(51,146)	(148,028)	56,022	(49,932)
Tax expense for the financial period	330,738	328,807	566,448	786,294

The Bank's effective tax rate for the financial half year ended 30 June 2019 was lower than the statutory tax rate due to certain income not subject to tax.

Domestic income tax for the Bank is calculated at the Malaysian statutory tax rate of 24% of the estimated chargeable profit for the financial year. Taxation for foreign subsidiaries in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

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B6. Status of Corporate Proposals Announced but Not Completed

There are no corporate proposals announced but not completed during the financial half year ended 30 June 2019.

B7. Status of Utilisation of Proceeds Raised from Corporate Proposal

The proceeds raised from the borrowings, issuance of subordinated obligations and capital securities have been used for working capital, general banking and other corporate purposes, as intended.

B8. Deposits from Customers, Investment Accounts of Customers, Deposits and Placements from Financial Institutions and Debt Securities

Please refer to Note A14, A15, A16, A17 and A41g.

B9. Derivative Financial Instruments

Please refer to Note A37.

B10. Changes in Material Litigation

There is no material litigation during the financial half year ended 30 June 2019.

B11. Dividend

The Board of Directors have declared a single-tier interim cash dividend in respect of the financial year ending 31 December 2019 of 25 sen (30 June 2018: 25 sen) per ordinary share.

Pursuant to Section 8.26 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the interim dividend will be paid no later than three (3) months from the date of declaration.

The Book Closure Date will be announced by the Bank at a later date.

B12. Earnings Per Share ("EPS")

Basic EPS

The basic EPS of the Group is calculated by dividing the net profit for the quarter/period attributable to equity holders of the Bank by the weighted average number of ordinary shares in issue during the period.

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Net profit for the quarter/period attributable to equity holders of the Bank (RM'000)	1,940,871	1,959,013	3,750,135	3,830,049
Weighted average number of ordinary shares in issue ('000)	11,113,576	10,920,218	11,081,629	10,880,190
Basic earnings per share	17.46 sen	17.94 sen	33.84 sen	35.20 sen

Diluted EPS

The Group has no dilution in its earnings per ordinary share in the current and the preceding financial period as there are no dilutive potential ordinary shares.

By Order of the Board

Wan Marzimin Wan Muhammad
LS0009924
Company Secretary
29 August 2019